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FBIS-LAT-89-180 CONTENTS *19 September 1989*

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CARIBBEAN

Cuba

President Castro Discusses Future of Chile *[Havana TV]* 1
PRC Official Visits Central Committee Office *[Havana TV]* 3
Risquet Meets With Zambian Party Officials *[Havana TV]* 3
$20 Million Planned for Communications Industry *[Havana Radio]* 4
* Increase in Distribution Delays Noted in Havana *[GRANMA 11 Aug]* 4
AIDS Program Presented at Disease Meeting *[Havana Radio]* 5
Internationalists Return From Ethiopia 5
  150 Combatants Return *[Havana TV]* 5
  Officials Welcome Soldiers Home *[Havana TV]* 5
  Last of Troops Land *[Havana TV]* 5
  Contingent Called 'Magnificent' *[Havana TV]* 5
* Extent of Illegal Fishing Discussed *[TRABAJADORES 27 Jul]* 6
Man Arrested for Black Market Trafficking *[Havana TV]* 7
Citizen Arrested for Negligence in Duties *[Havana Radio]* 7

Caribbean Affairs

Jamaican Assistance to Hurricane Damaged Islands *[CANA]* 8

Aruba

Bogota Cartel Pilot Reportedly Arrested *[Caracas TV]* 8

Dominica

Government To Seek Reconstruction Assistance *[CANA]* 8

Haiti

Institute, Justice Ministry Sign Agreement *[Port-au-Prince Radio]* 9
Agriculture Party Announces New Alliance *[Port-au-Prince Radio]* 9
Panpra To Hold First National Congress *[Port-au-Prince Radio]* 9
Party Leader Jeanty Notes Division in Army *[Port-au-Prince Radio]* 10
PUCH's Theodore Claims Bourjolly Set-Up *[Port-au-Prince Radio]* 11
ANOP Holds News Conference on Cost of Living *[Port-au-Prince]* 12

Montserrat

Foreign Aid Donors Discuss Relief Requirements *[CANA]* 12

MEXICO

Navy 'Not Interested' in Joint U.S. Maneuvers *[THE NEWS 15 Sep]* 14
* Colosio Defends Role of PRI Sectors *[EL DIA 11 Aug]* 14
Petroleum Company No Longer Importing Oil *[THE NEWS 10 Sep]* 16

CENTRAL AMERICA

Belize

Price Government Outlines Economic Policies *[CANA]* 17

Costa Rica

Security Minister Orders Arrest of 'Mercenary' *[LA NACION 13 Sep]* 17
Drug Investigation Coordinated With Colombia *[AFP]* 17
Three Nicaraguan Soldiers Request Refugee Status *[Hamburg DPA]* 17

El Salvador

Cristiani Warns of 'Inflexible' FMLN Attitude *[San Salvador TV]* 17
Workers Rally Ends in Violence, 59 Arrested *[San Salvador TV]* 18
PCN Leaves 'Tripartite' Leftwing Alliance *[EL DIARIO DE HOY 12 Sep]* 19

Guatemala

President Cerezo 12 Sep News Conference Reported *[Guatemala City TV]* 19
* Presidential Funds Tripled by Transfers *[PRENSA LIBRE 28 Jul]* 21
* Poverty, Prices Show Alarming Growth 22
    * 86 Percent in Poverty *[EL GRAFICO 14 Jul]* 22
    * Inflation Affects Wages *[EL GRAFICO 22 Jul]* 22

Nicaragua

Human Rights Official on Meeting With Carter *[Managua Radio]* 23
Paper Says NED 'Cannot' Finance UNO Campaign *[BARRICADA 16 Sep]* 23
U.S. Congress Objects To Financing NED *[Managua Radio]* 24
Parties Urged To End Dependence on U.S. *[ACAN]* 25
Americas Watch Representative Tours Prisons *[Managua TV]* 25
UNO Vice Presidential Candidate Interviewed *[AFP]* 26
Chamorro, Godoy News Conference Reported *[LA PRENSA 14 Sep]* 26
CSE Issues Communique on Election Regulations *[Managua Radio]* 29
Social Christian Party Registers Candidates *[ACAN]* 29
Extreme-Left Parties Not To Form Coalition *[Managua TV]* 29
Defense Minister Pleased With Salvadoran Accord *[Hamburg DPA]* 30
    Comments on Tela Agreements *[AFP]* 30
Contra Leader Robelo Holds News Conference *[LA PRENSA 16 Sep]* 30
2 Soldiers Reportedly Killed in Contra Attack *[Managua Radio]* 31
FRG Government To Renew Financial Cooperation *[BARRICADA 13 Sep]* 31
New Aqueducts, Sewage Minister Appointed *[LA PRENSA 6 Sep]* 31

Panama

Ozores Interviewed on U.S. 'Offensive' *[Havana International]* 32
Official on Threat To Bar Ships From U.S. *[Panama City Radio]* 32
Minister on Stopping Foreign Debt Payments *[Panama City TV]* 33
Dignity Battalions on Special 'State of Alert' *[Panama City TV]* 33
Commentary on Costa Rican-Based 'Disinformation' *[Panama City Radio]* 33
Opposition Calls New Government 'Unconstitutional' *[ACAN]* 33
Church Discusses 'De Facto' Government *[PANORAMA CATOLICO 17 Sep]* 34
Businessman on 'Growing Deterioration' of Economy *[Panama City TV]* 35
Official Explains Efforts To Increase Trade *[Panama City Radio, TV]* 35
New Customs Procedures To Price, Tax Imports *[Panama City Radio]* 36

SOUTH AMERICA

Argentina

Deputy Speaks to Congress on Drug Prevention *[CLARIN 13 Sep]* 37
Renegotiation of Fishing Pact With USSR Planned *[NOTICIAS ARGENTINAS]* 37
    Cavallo Comments *[TELAM]* 37
Minister Cavallo Streamlines Foreign Service *[NOTICIAS ARGENTINAS]* 38
Air Force Chief on Possible Presidential Pardon *[NOTICIAS ARGENTINAS]* 39
Railroad Unions Strike To Protest Salary Policies *[NOTICIAS ARGENTINAS]* 39
Petroleum Official Cited on Use of UK Capital *[LA PRENSA 15 Sep]* 40
Education Ministry Official on Debt to UNESCO *[NOTICIAS ARGENTINAS]* 40
Ex-President Charges Former Administration *[TELAM]* 41
Menem Receives Paraguayan Senator Laino *[Buenos Aires Radio]* 41
Army Chief of Staff Gen Caceres Visits Chile *[LA PRENSA 15 Sep]* 41
Arms Cache Discovered in Northern Buenos Aires *[Buenos Aires Radio]* 42
Frondizi Appointed Adviser to Presidency *[NOTICIAS ARGENTINAS]* 42
New Public Prosecutor General Appointed 15 Sep *[NOTICIAS ARGENTINAS]* 42

Bolivia

President Opposes Use of Military Against Drugs *[Madrid EFE]* 42

Brazil

President Sarney To Visit Ecuador 25-26 Oct *[Brasilia Radio]* 43
Free Political Advertising Campaign Begins *[Rio de Janeiro TV]* 43
    Candidates Campaign Over Radio *[Brasilia Radio]* 43
    Candidates Campaign on Television *[Rio de Janeiro TV]* 43
'Espirito Santo-Bolivia' Drug Ring Dismantled *[O GLOBO 17 Sep]* 43
Soviets Propose Joint Satellite Development Plan *[O GLOBO 15 Sep]* 44
    Venture With U.S. Firm Protested *[O GLOBO 15 Sep]* 44
Nuclear Submarine Ready 'Within 5 or 6 Years' *[FOLHA DE SAO PAULO 12 Sep]* 44
Navy Calls for Environmental Impact Report *[FOLHA DE SAO PAULO 13 Sep]* 45
Israeli Minister on Incorporation of Territories *[FOLHA DE SAO PAULO 13 Sep]* 45
Central Government Registers Budget Deficit *[O ESTADO DE SAO PAULO 15 Sep]* 45
Oil Reserves Drop Due to Lack of Investment *[O GLOBO 14 Sep]* 46
* Candidates' Economic Advisers on Primary Issues *[MANCHETE 12 Aug]* 46
* Sarney Admits Inability To Bail Out Petrobras *[O GLOBO 18 Aug]* 53
* Air Force Confirms Test Site in Para *[FOLHA DE SAO PAULO 17 Aug]* 55
* Libya Seeks To Expand Trade Relations *[GAZETA MERCANTIL 15 Aug]* 55
* CNEN Tries To Change State Constitution *[O ESTADO DE SAO PAULO 17 Aug]* 56

Chile

Clandestine Group Attacks Carabineros Garrison *[Madrid EFE]* 56
Carabineros Disperse Demonstrators in Santiago *[Santiago Radio]* 56
Carabineros Find Arms Cache in Santiago *[Santiago Radio]* 57
PCCh's Volodia Teitelboim on Extremism *[COSAS 31 Aug]* 57
Almeyda Returns From Medical Treatment in GDR *[Madrid EFE]* 58
Socialist Newspaper Begins Publication *[CAUCE 4 Sep]* 58

Colombia

Explosives Experts Report on U.S. Embassy Attack *[Bogota TV]* 59
Arrest Warrants Issued for 2 Israeli Mercenaries *[Hamburg DPA]* 59
Bombs Explode in Bogota; Attackers Wounded *[Bogota TV]* 59
Wave of Rumors Increases Unrest in Major Cities *[Buenos Aires REUTER]* 59
Authorities Arrest 52 ELN, EPL Rebels *[EL SIGLO 15 Sep]* 60
Two Policemen Killed in Clash With FARC *[Bogota Radio]* 61
* Mastermind of La Rochela Attack Named *[EL TIEMPO 6 Aug]* 61

* Liberal Leader on Candidate Selection *[CROMOS 7 Aug]* 61
* Former Ecopetrol Head on Renegotiations *[EL ESPECTADOR 28 Jul]* 63
* Year-To-Date Economic Output Studied *[EL TIEMPO 31 Jul, 5 Aug]* 64

Ecuador

Borja Returns From Europe, Announces Drug Fight *[Buenos Aires REUTER]* 66
Measure Adopted Against Drug Traffickers *[Hamburg DPA]* 66
Investigation of Cocaine-Refining Chemical Import *[AFP]* 67

Paraguay

Senate Elects New First Vice President 14 Sep *[ABC COLOR 15 Sep]* 67
Rodriguez UN Delegation To Include Opposition *[HOY 15 Sep]* 67
Fraudulent Election Registration Books Replaced *[ABC COLOR 16 Sep]* 67
Central Bank Head on Reserves Level, Economy *[ABC COLOR 16 Sep]* 67
Foreign Minister Returns From Argentina 16 Sep *[HOY 17 Sep]* 68
Official Discusses Financing for Yacyreta Dam *[HOY 16 Sep]* 68
Soviet Canned Food Available in Supermarkets *[ABC COLOR 18 Sep]* 68
    Peasants Possess Food *[HOY 16 Sep]* 68

Peru

Garcia on Oil Contract, Coca Crop Elimination *[Lima TV]* 69
Fishing Agreement With Soviet Union Extended *[EL COMERCIO 5 Sep]* 70
FREDEMO Registers Presidential Ticket *[Lima Radio]* 70
Vargas Llosa on Possible Talks With Shining Path *[Lima Radio]* 70
'Terrorist Commando' Kills Communist Leader *[Madrid EFE]* 70
Police Report Shining Path Kills 6 in Ayacucho *[Madrid EFE]* 71
Police Capture Subversives Operating in Canete *[Lima Radio]* 71
Petromar Drills Two New Offshore Oil Wells *[EL COMERCIO 8 Sep]* 71

Uruguay

President Sanguinetti Explains Meeting With Bush *[Montevideo Radio]* 71
DNII Presumed Connection With CIA Denounced *[LA HORA POPULAR 11 Sep]* 71

Venezuela

Man Resembling Colombian Drug Lord Arrested *[Caracas TV]* 72
Judges Accused of 'Leniency' Toward Traffickers *[Caracas TV]* 72
* Perez' Role in Middle East Conflict Viewed *[EL NACIONAL 28 Jul]* 72
* Former Energy Minister on OPEC Membership *[EL NACIONAL 7 Aug]* 73
* La Riva Discusses Rapanelli's Arrest Warrant *[EL NACIONAL 19 Jul]* 76
* Iturbe on Progress of Economic Reforms, Recadi *[EL NACIONAL 2 Aug]* 77
* Beltran Guerra on 'Persecution by Judiciary' *[EL NACIONAL 20 Jul]* 79
* Maritime Treaty Proves Controversial 80
    * Velasco on Background *[EL NACIONAL 13 Aug]* 80
    * Terms of Treaty *[EL NACIONAL 12 Aug]* 81
    * Treaty Criticized *[EL NACIONAL 10 Aug]* 82
    * Ministry Offers Rebuttal *[EL NACIONAL 12 Aug]* 84

Guyana

Defense Force Chief of Staff Arrives in Brazil *[CANA]* 85
PPP Protests Exclusion From Regional Conference *[CANA]* 85
    Pickets at Government Building *[CANA]* 86
Opposition PCD May Boycott Municipal Elections *[CANA]* 86
    Boycott To Involve 'Masses' *[Bonaire Radio]* 87

Business Disagrees With World Bank Aid Plan *[Bonaire Radio]* 87
$10 Million Contract Signed With Canadian Firm *[Bonaire Radio]* 87
Fire on Power Barge Leads To Extended Outage *[CANA]* 87

Suriname

President Meets With Amerindian Representative *[Bonaire Radio]* 88
Minister Reassures Rebels on Kourou Accord *[Paramaribo International]* 88
Rebellious Indians Continue Hijacking Activities *[Paramaribo International]* 88
  Strike Planned Unless Talks Held *[Paramaribo International]* 88
  Union Leader's Life Threatened *[Paramaribo International]* 88
Refugees Distrust Registration Process *[Paramaribo International]* 89
Pokigron Villagers Protest 'Subhuman' Conditions *[Paramaribo International]* 89
Traffickers Linked to Murder of Brazilians *[Hilversum International]* 89
National Assembly Mourns Henk Heidweiller Death *[Paramaribo International]* 89

Cuba

President Castro Discusses Future of Chile

PA1909023389 Havana Cubavision Television in Spanish 0030 GMT 15 Sep 89

[Speech by Fidel Castro Ruz, president of the Cuban Councils of State and of Ministers, at a ceremony in solidarity with Chile in Havana on 11 September—recorded]

[Text] Dear Chilean brothers, I did not know that it would be a big event. I thought it would be a simple ceremony and that a house would be inaugurated, so I came discreetly. Anyway, [words indistinct] because everything had been organized and [words indistinct] said nothing [words indistinct] would have been a lack of courtesy on my part.

By coincidence, today [words indistinct] honoring President Allende and inaugurating—like it was reported—an important medical installation that will be named after Salvador Allende. We will also inaugurate a pediatric intensive care unit that is undoubtedly one of the most important in the country and Latin America. The project was recently completed and we decided to inaugurate it today. We had everything planned and then I was told about this other inauguration [crowd laughs]. I was told what kind of ceremony it was and that it would be held at 1700. I said: That is when we are supposed to be at the other event!

Well, it was a matter of coordinating things [words indistinct] after finishing here, in case any of you wanted to participate in the other event. We decided to postpone the ceremony at the Allende medical installation from 1800—because if we did not postpone it there would not have been enough time and everyone would have been in a rush—until 1900. I believe many of you are going to attend that event.

It has been truly moving for me [words indistinct] the words with which I can express the feelings I have experienced here this afternoon. It was extremely moving to unveil that [word indistinct], not only the bust, but also the [word indistinct]. I asked how many Chileans had died here. I was told that 39 Chileans had died here over these years, all these years. I was thinking about those Chilean compatriots—because they are our compatriots—[applause] whose remains rest in our homeland. The remains of some of those Chileans may have been taken to the country where they were born and probably many others will also be taken there.

I have also thought about the meaning of the fact that many Chileans chose to live in our country. The Chilean cause had so much sympathy, support, and solidarity that the doors of many countries were opened for the exiled Chilean people, including the doors of so-called Third World countries, developed countries, wealthy countries, and some very wealthy countries. Many Chileans, however, chose to live in our homeland. They knew that we are neither a developed nor a wealthy country.

We were a working country faced with difficulties and problems, waving the revolutions' banners high in response to the northern colossus. We were struggling against the objective difficulties faced by the immense majority of Third World countries. It was not a petroleum-producing country of super-abundant resources. I could say the Chileans were about to become a working country, a revolutionary country, a country with very deep sentiment concerning the Chilean cause. I will not say that it was the country with the deepest sentiment, but I would dare to say that its sentiment was as deep as anyone's.

That is why the Chileans who chose to live in our fatherland truly honored us by choosing to live among us. I know what the lives of the Chilean exiles have been like in many places, in better places and in worse places. However, none of you thought or took into consideration that you could be better off in another country, and you chose our country. That is why I do not consider this just another opportunity to practice internationalism. The Cuban people feel the Chilean tragedy the way any Chilean feels it. The Cuban people unanimously condemned the coup, the massacre, and the crimes that we will never forget. The Cubans condemned the atrocious procedure of causing people to disappear, and condemned the ferocious attack inside the presidential palace, where Comrade Allende wrote one of the most beautiful and heroic pages of American history. Allende gave us a legacy of bravery, he gave us an example of dignity, which is like a seed planted in a moment that eventually grows into a gigantic tree.

That example, that symbol that Allende became, has been with us in our struggles throughout these years. Cuba, my Chilean friends, welcomed all of you with open arms. We offered a special welcome to the men and women of Chile; we did not open our country's doors to just one, two, or three parties. We opened our doors to all Chileans without distinction. We have cooperated with all of you, we have worked with all of you.

Now that we recall those Chilean brothers whose remains rest in our homeland, we must also recall many other brothers, dozens and dozens of brothers who passed by, lived, and in our country prepared to return to their homeland. Many of those brothers lost their lives in their struggle.

Let us also recall all those Chileans who already returned to their country. Our universities and schools were available to all Chileans. Many of them became doctors, technicians, and military men. They received an education and prepared themselves. That is very important. I say that preparation is very important, because history could not repeat itself ever again.

Undoubtedly, that 20 November took the Chilean people by surprise and without any preparation to defend themselves. I am not sure if there was a single

Chilean cadre at that time. I am not sure whether the country was prepared to effectively construct defenses for the Chilean institutions at that time.

I believe that many have been preparing themselves during the last years. Whatever course history may take in the future, we know that hundreds upon hundreds have prepared themselves, and we know that in their wisdom the Chilean people will not allow such a sad history to be repeated, (?be whenever it may). [applause]

We have not sown in the desert or plowed at sea. These past 16 years represent an experience whose value is virtually impossible to assess. It is clear that important steps forward have been taken. It is clear that the plebiscite was unquestionably a step forward. I remember the day we unveiled Allende's bust at the hospital. I expressed the certainty that the Chilean people would vote against Pinochet, despite Pinochet's resources, and the psychological warfare and terrorist methods that were used to intimidate the masses. It would be impossible (?for a people) to forget the many crimes and monstrosities that have been committed. It is impossible.

In effect, the plebiscite was a harsh blow for Pinochet. I also think that the elections will be an extremely harsh blow, perhaps an irreversible blow, to Pinochet. However, it is a fact that nobody can assert here that Pinochet's defeat in the election will be the solution to the problem of the dictatorship in Chile. I am not talking about a revolution. I think it would be unnecessary. There would be no sense in talking here about a revolution [word indistinct] a stage above the democratic opening. We are talking about a democratic opening, but the electoral victory does not entail a solid democratic opening yet. However, in our opinion it will undoubtedly represent another very important step forward.

Pinochet will try to stay on as head of the Army and as head of the Armed Forces. We could almost say that he will stay on as a sort of sentinel, a power on which the country's destiny would continue to hang for some time to come. Whether he can really fulfill the goals he has set for himself remains to be seen. However, I am certain he will not give up power without a struggle. Only the Chilean people can make this an irreversible struggle to achieve a true and full democratic opening, an opening without all of the limitations that the regime has written into its Constitution, which grants him all of these rights—to be a senator for life, and, if my memory does not fail me, to serve as chief of the Army for an additional 8 years. Look at his harangues. His harangues are still aggressive, haughty, and threatening. We hear warnings. We hear appeals to the Army to remain united, because he will undoubtedly try to perpetuate himself.

I think he will be more and more cornered by the Chilean people, because a new stage will begin after the elections. It is inevitable that the people will participate to a much greater extent. They will inevitably have a much greater possibility of expressing themselves, of acting, of mobilizing, of thinking about what is essential at the moment and not about shares of power. I think they have to be...[changes thought] that this is really an admirable test of patriotic and revolutionary feeling for those who are not rightists, for those who are not conservatives, for those who are not even in the center but on the left, and well to the left: to go to the polls and to vote, forgetting which party it was that put forward the candidate for president, or what the candidate's political thinking is, just thinking of Chile, only thinking of Chile.

I know what I would do if I were in such a situation. I would forget the party, I would forget myself, and only think of Chile. Not the Chile of today, or the Chile of after the elections. I would think of the Chile of tomorrow, the Chile of the future, the Chile where true democracy, social justice, equality, and opportunity exist for all. I do believe that anything that helps to [word indistinct] the way, anything that helps to sweep away Pinochet, will today help to construct the Chile of the future. I was not mistaken when I said that Pinochet was going to be defeated at the plebiscite. I am not mistaken when I state here, with assurance, that he is going to be widely defeated in the elections. I am also not mistaken when I state, with deep conviction, that this Chile, the great Chile of tomorrow, will sooner or later become a reality.

I say this because of the opinion I have formed about the Chilean people. My opinion is not only based on the love I have for the Chilean people, but also on the admiration I feel for them. My evaluation is based on what I have learned from these heroic people during these past years. I think of Chilean workers, students, and intellectuals who have to know what they are going to do and how to act during these decisive months, or perhaps years. During this time their capacity for struggle [word indistinct] and talent will be tested.

We will see what will happen after the election. We will see what will happen when people start to express themselves. We will see what will happen when the duality of power occurs. The duality of a civilian president and his Cabinet on one side and Pinochet commanding the Armed Forces on the other is hardly conceivable. However, the winds of these times are blowing very hard against Pinochet. I am sure that there is no possibility that he will stop people when they start to actively and increasingly participate in the national process.

These are my points of view and I like to give them. I am no prophet, but I dare give my opinions and... [interrupted by applause] I give them on the grounds of my very deep convictions.

When I arrived here, I was told there are approximately 600 Chileans at Fidel neighborhood in Cuba. About 100 Chileans have returned [to Chile]. However, the most important settlement is in Havana. I have also been thinking about other human problems. I was thinking that I am seeing here almost two generations. I am even seeing some pioneers in this ceremony, and a [words indistinct] that rather seems a mixture of blood between Chileans and Cubans. Before, it would not have been right to speak strictly about blood links, because we have agreed we are all of the same blood. [applause] This blood was brought together in times of peace and solidarity; people were willing to shed their blood on that 11 September. Some of our comrades were willing to give their lives there [in Chile]. It was precisely Salvador Allende who made the decisions and issued the corresponding orders to prevent the blood of a single Cuban from being shed.

Now that I am seeing these new generations, I think that over the past 16 years a number of children from Chilean couples, as well as children of Chilean-Cuban couples must have been born in Cuba. So, I say: Well, this is history. [crowd laughs] I am sure that in the future there will be problems of marriages coming and going, or that a daughter is leaving, or a son is coming here. I can already hear some of these things.

You should know that you will have all our cooperation so that families remain united. If, because of any circumstances, families are separated, links between parents and children should always be maintained. Therefore, as far as Cuba is concerned, you have all facilities, all facilities [applause]...for those who want to leave, for those who want to come, for those who want to live in Chile, for those who want to live in Cuba, regardless of the reason. We must make a reality the statement by a comrade who said that Cuba was like his second fatherland. This must be a reality. This fatherland must grant these individuals all the rights a true fatherland grants to any of its children [words indistinct], who will of course develop in a fully normal manner.

I was told that some [Chileans], for some reason, will want to remain here; others will want to return. I believe these 16 years have served not only to gain great historical and political experiences, but also to strengthen our friendship, and to further strengthen our sisterhood. We are like two branches of the same tree. You have made great contributions to the growth and development of this tree and these branches. Therefore, we can talk about two periods—before the 16th, before the 11th [corrects himself], before and after 11 September. Before the 16 years of Pinochet, and after the 16 years of Pinochet. Let us hope he will not get to the 17th year [words indistinct]. [applause]

This is a beautiful story; a story that is dear to all of us. Pelayo rightfully said that the Chilean people can always count on our full cooperation and support as it has the case for the past 16 years.

You can count on us—if not as Chile's best friend among all world peoples—as one of Chile's best friends among all the world peoples. [applause]

Viva Chile! [crowd answers: Viva!] Viva Cuba! [crowd answers: Viva!] Viva our America! [crowd answers: Viva!] Fatherland or death! We will win! [crowd answers: We will win!] [applause]

PRC Official Visits Central Committee Office

FL1509151889 Havana Tele-Rebelde Network in Spanish 1100 GMT 15 Sep 89

[Text] Lionel Soto, member of the Communist Party of Cuba [PCC] Secretariat of the Central Committee, has met with the PRC delegation headed by Zhu Liang, member of the CPC Central Committee and director of its International Liaison Department.

During the meeting, which was held at the headquarters of the PCC Central Committee, there was an extensive exchange of information on the economic situations and the development plans of both nations. The PRC leader, after stating that his visit to our nation has been very productive, gave a detailed explanation of the successes and difficulties of the PRC economy.

Lionel Soto talked to the visitors about Cuba's present situation. He also talked to them about the development of the tourist industry, as well as the efforts we are carrying out to substitute imports.

Risquet Meets With Zambian Party Officials

FL1809150089 Havana Tele-Rebelde Network in Spanish 1100 GMT 18 Sep 89

[Text] Yesterday afternoon, Jorge Risquet Valdes, member of the Communist Party of Cuba [PCC] Central Committee Politburo and Secretariat, received a delegation from the United National Independence Party of Zambia at the Central Committee offices. The delegation is composed of members of its Central Committee (Batis Kapuru), (W. Matoka), (F. Maragu), and Mrs (C. Morundika), who paid a visit to our country for an exchange experience.

During their stay in Cuba, they visited the Isle of Youth, Santiago de Cuba, and Matanzas Province.

The talks held at the Central Committee allowed to confirm the identity of views between the PCC and the United National Independence Party of Zambia on various current event topics, especially, the situation in Central America [words indistinct] the firm will of the two parties and governments to give all their solidarity support to the Namibian people and the South-West African People's Organization. (Kapuru) said Cuba and Zambia are united in the fight against colonialism, apartheid, and imperialism.

$20 Million Planned for Communications Industry

FL1909011489 Havana Radio Rebelde Network in Spanish 2305 GMT 18 Sep 89

[From "Exclusivo" program]

[Text] Here follows a report that will be of interest to all the residents of the capital:

Over the next 3 years, the revolution will invest more than 60 million pesos in what is being called the "Havana Telephone System Restoration and Development Program."

The deteriorated condition of telephone plants and cables in the capital sometimes even prevents repairs. Add to this the constant rains and the entire system becomes damp, making speaking over the telephone a titanic task.

The new development program will be implemented by the new Claudio Arguelles Canejo telephone contingent. The restoration tasks will be conducted by the municipal telephone administrations in the capital.

The program allows for the installation of 10 new telephone centers in the capital over the next 5 years which will be added to the 18 existing centers. Some municipalities, like Cerro, La Lisa, Regla, and Arroyo Naranjo, will have telephone centers for the first time. In the meantime, Plaza and Boyeros Municipalities will benefit from 15,000 new telephone lines apiece. Havana City will have a total of 222,380 new telephone lines with the new plants, the expansions, and the more than 8,000 km of new cables that will duplicate what has historically existed in the capital.

Another piece of good news that we have been given by Comrade Roberto Paneque Fonseca is the Communication Ministry's recent acquisition of 50 km of fiber optic cables, glass wires. This high level technology will link the plants of Cubanacan, Buena Vista, Vedado, Plaza de la Revolucion, Aguila and Dragones, Principe, the Communications Ministry, Monte, Luz, and Cumbre. Fiber optic cables are glass wires the thickness of a human hair and a pair of these allows more than 2,000 telephone conversations to be made simultaneously with the use of lasers.

A large-capacity international satellite communications earth station was also just recently purchased. It has 460 channels for the entire world and it triples those of the existing station.

Another completely automated international telegraph station was also purchased which will allow direct communications with any location throughout the world without the assistance of an operator in the telex center.

The task of installing all this advanced technology and the more than 222,000 new telephone lines will demand a serious and heavy investment effort on the part of our national communications industry. By 1990, a $12 million telephone cable factory will be constructed in San Jose in Havana Province which will manufacture 2,000 km of cable a year.

A total of $20 million will be invested in the Cuban communications industry during the next 3 to 5 years. The people now hope that the effort made by the revolution will be converted into a response from all the communications workers in the capital and throughout the country.

* Increase in Distribution Delays Noted in Havana

32480204b Havana GRANMA in Spanish 11 Aug 89 p 2

[Commentary by Emilio del Barrio Menendez]

[Text] The number of immobilized railroad cars with cargo intended for Havana is so great that it is imperative that exceptional measures be taken immediately to reduce their number. Such measures are also needed to ensure fulfillment of the plans for the transportation of goods from ports and those that govern domestic producers.

At 1800 hours on Wednesday at the Central Station in the capital, and in other yards and switching stations, there were 246 of these cars. Sources at the National Expedition Enterprise say that this backlog is due to the insufficient number of trucks to carry the inventories of the terminal's warehouses, among other causes.

But the problem cannot just be seen in this light, according to the same sources. Trucks are no longer assigned to this area because receivers in the domestic economy were underutilizing these resources due to low levels of admission, and the trucks were thus diverted to other traffic to meet other needs, such as that generated by the port, just to mention one example.

In fact, the problem of backed up railroad cars has been building gradually since 23 July, when 93 cars were counted. The figure has been rising until it reached the present total.

According to specialists at the Railway Union of Cuba, normally there should never be any more than 60 cars awaiting unloading in the yard of the Central Station of Havana.

To resolve this situation (which is also affecting rail traffic as a whole by taking the lines out of service) not only must a sufficient number of trucks be assigned, but they must also be rotated efficiently. This can be accomplished by achieving a steady work schedule of 24 hours a day in the loading yard, in transportation, and especially in the warehouses of the destinations: Wholesale, Food Supplies, Beverages and Liquors, and others.

We mention these three because they account for a significant tonnage of products in railroad cars, and whether or not the problem is solved depends on their response.

If railroad workers, truckers, and receivers manage to adopt a well defined and rigorous plan, I believe that a daily rate of at least 25 cars can be unloaded. If this objective is achieved, and it is possible, given the rate at which the cars arrive, the situation can return to normal within about 20 days.

It should be recalled that this must be achieved without affecting the rate at which cargo is removed from the capital port, because it would do little good to concentrate forces on one front and leave the other front without any. That would be robbing Peter to pay Paul, as they say.

AIDS Program Presented at Disease Meeting

FL1509193189 Havana Radio Progreso Network in Spanish 2230 GMT 14 Sep 89

[Report by Gisela Arandia]

[Excerpt] The Seventh Latin American Congress of Sexually Transmitted Diseases has been meeting since yesterday in Havana's Palace of Conventions. This event is being attended by outstanding foreign and Cuban scientists.

During the morning session, Dr Hector Terry, vice minister of public health, presented Cuba's program against AIDS. A roundtable discussion was also held during the morning session on sexually transmitted diseases.

Researchers said that during this century, these diseases behaved in a contradictory manner. First, they diminished. Then during the past few years, a notable increase in these diseases has been noticed, especially with the appearance of AIDS. The scientists called for increased multi-disciplinary studies due to the diverse factors that cause AIDS to propagate. [passage omitted]

Internationalists Return From Ethiopia

150 Combatants Return

FL1509115889 Havana Tele-Rebelde Network in Spanish 1100 GMT 15 Sep 89

[Excerpts] After successfully completing their internationalist mission in Ethiopia, over 150 combatants returned to the fatherland by airplane last night. [passage omitted]

All of the combatants received the Cuba-Ethiopia victory medal and 118 of them were awarded the Revolutionary Armed Forces Distinguished Service medal. Roberto Veiga, member of the Communist Party of Cuba Politburo, headed the group that welcomed them at Havana's international airport. [passage omitted]

Officials Welcome Soldiers Home

FL1609135489 Havana Tele-Rebelde Network in Spanish 1300 GMT 16 Sep 89

[Text] At 0430 this morning, another group of 150 internationalist combatants from Ethiopia arrived at the Rancho Boyeros Airport. They were welcomed back by members of the Politburo of the Communist Party of Cuba, Armando Hart Davalos and Jorge Risquet Valdes, as well as Division General Senen Casas Regueiro and other chiefs and officers of the Revolutionary Armed Forces and the Interior Ministry.

Two members of this large group bear the Ignacio Agramonte Medal, Third Class; 100 members have earned the Distinguished Service Medal; and all of them bear the Internationalist Combatant Medal, Second Class, as well as the Cuba-Ethiopia Victory Medal.

Last of Troops Land

FL1809134789 Havana Tele-Rebelde Network in Spanish 1100 GMT 18 Sep 89

[Text] The last group of Cuban internationalist combatants, who completed their military cooperation in Ethiopia, returned to the fatherland last night. Brigade General Manuel Perez Hernandez, chief of the Cuban military mission in that African nation, was heading the group.

Armando Hart, member of the Communist Party of Cuba Politburo; Division General Ulises Rosales del Toro; chiefs of the Revolutionary Armed Forces [FAR] General Staff, high-level Interior Ministry and FAR officers, and representatives of political and mass organizations, welcomed them.

Contingent Called 'Magnificent'

FL1809191089 Havana Tele-Rebelde Network in Spanish 1700 GMT 18 Sep 89

[Text] This morning, in an official ceremony, over 500 internationalist combatants, the last ones to arrive from Ethiopia via plane, received the fraternal and deeply felt embrace of the grateful fatherland. [video shows military ceremony]

[Begin recording of Luis Rodriguez Hernandez, member of the Communist Party of Cuba Central Committee, identified by caption] Hundreds of pages written with the blood of our two peoples, the medals many of you and those who returned before you have, speak of the heroism of that flash war in the roughness of the (Baden) Desert. You are a song to human solidarity and the consequent internationalism. You also are the confirmation in practice of the attitude of a country such as ours which has never hesitated, and never will, in fulfilling its sacred internationalist duty.

We cannot tell those of you who return today that you have been absent because your magnificent presence, stoicism, and courage, with which you have fought or have been willing to do so in defense of the sovereignty and territorial safety of the sister Ethiopia, has been in each project, each factory, hospital, and school we have erected. Because of this, our people admire you and are constantly inspired in their daily activities, in the daily heroism of labor, because of your example. [end recording]

* Extent of Illegal Fishing Discussed

32480204a Havana TRABAJADORES in Spanish 27 Jul 89 p 3

[Article by Iliana Hautrive]

[Text] Each year our country loses significant foreign exchange revenues because of the illegal fishing of valuable species, in addition to the impact this has on the people's diet.

What the state does not earn because of this negative practice cannot be quantified in all of its magnitude. Nevertheless, the repeated claims by workers in the fishing industry and the personal experience of many other comrades indicate that the situation is widespread and is cause for concern.

The fishermen in question are sneak thieves who steal large-scale fishing gear and illegally catch species such as lobster, shrimp, and chelonian and scaled species, both offshore and in freshwater reservoirs.

This matter was discussed at the Third Congress of the National Union of Merchant Marine, Port, and Fishing Workers, when several delegates complained of the problem with rightful indignation. Their income is also affected when a group of parasites appropriates the efforts and tools of fishermen.

There have been justified calls for specific action against these violators of the law to fight shoulder to shoulder alongside the authorities to eradicate this disorder and severely punish the violators.

Where Does Gear Come From?

We gleaned some eloquent examples of this problem from reports filed this year with the Ministry of the Fishing Industry (MIP):

30 January: theft of two rolls of 15-ml polypropylene (used to weave nets) from the establishment Caibarien, valued at $161.

15 March: Cayo Confites Enterprise: three nets valued at $181.

10 May: Alacranes Reservoir, 18 nets, valued at $1,087.

27 May: Mamposton Reservoir, two 80-cm nets and two 60-cm nets, valued at $241 altogether.

It is clear that there is a lack of control in these and other centers to prevent the theft of large-scale fishing gear. It should be noted that the irregularities that have been discovered are nowhere near the total.

People may argue, as they usually do, that the gear they have is homemade by "specialized hobbyists," but of course one can infer that the raw material is from obscure origins.

Operations have been going on for some time in fishing areas. The MIP, the Border Patrol, and the National Revolutionary Police (PNR) make inspections 24 hours a day for the purpose of catching illegal fishermen.

It is not possible to admit that every year our country has available about 5 million pesos (more than 60 percent of it in dollars) for the purchase of materials and components for the manufacture of fishing gear, and that so much of it ends up being used for these deplorable purposes.

Numbers Talk, But Don't Reveal Everything

In 1988, the group of inspectors of the MIP's Office of Fishing Regulations conducted 1,380 inspections of fishing in general. Of these, 479 were to enforce Decree 103, on noncommercial fishing, and 341 violations were discovered. This regulation, which has been in effect since 1982, is violated at a high rate, primarily with regard to sports fishing.

Of the infractions, 28 correspond to the use of underwater hunting weapons, 162 to the use of large-scale fishing gear, 38 to the capture of prohibited species, and 113 to other violations, such as fishing without a permit on inland waters and using inner tubes, tires, rafts, and other floating devices in reservoirs and in the ocean.

Altogether 101 fines were imposed, and 127 pieces of fishing gear (including nets, casting nets, dragnets, trawl lines, and bag nets) and 674 kg of various species were seized.

Between January and May of this year, 100 inspection tours of fishing areas led to the discovery of 159 violations and the imposition of 57 fines. During that period, two dozen pieces of fishing gear and 758 kg of scaled species were also confiscated.

In looking at these figures, one notices immediately that although a large number of the inspections (which have been increasing in number) resulted in the discovery of violations, punishments were meted out in only a few cases. In other words, there is little consistency between one statistic and the other.

One of the factors involved is that the majority of these citizens do not have their I.D. cards on them when they are caught, so the inspector cannot fill out the ticket.

Moreover, the majority of this illicit fishing takes place in low-lying areas that are difficult to reach. When they see the authorities coming, the fishermen flee, leaving their bags or nets of fish submerged so that they can come back for them later.

On other occasions, fishermen escape through the mangroves with their catch on their backs. In addition, there are many cases of commercial fishermen diverting resources toward these illicit practices.

Decree 103 calls for administrative fines of 50 to 100 pesos, which can be raised to 150 pesos by applying Decree 99. It is well known, however, that a pound of fish sells for 2 to 5 pesos, depending on quality, shrimp for 10 pesos a pound, and lobster for a minimum of 5 pesos a tail, depending on size. A simple comparison leads to the conclusion that the amount of the fines is ridiculously low in relation to the earnings people can reap from these marine resources.

Clearly, then, the application of fines alone is insufficient. Until 2 years ago, illegal fishing was considered a crime. Under the current Penal Code, it is listed as an administrative violation, and Decree 103 is the only instrument that can be enforced for punishment.

It must also be pointed out that the MIP's staff of inspectors is very small—14 comrades—and not only does it enforce Decree 103, but also everything having to do with commercial fishing and pollutants, among other job duties.

These comrades, though duly accredited by the MIP and the Ministry of the Interior (MININT), do not carry arms. On many occasions the illegal fishermen, most of them aware that the inspectors are unarmed, try to prevent them from doing their jobs by threatening them and even physically assaulting them.

Although it is recognized that coordination with the comrades of the Border Patrol has improved, the detection of illegal fishermen offshore could be more effective. As for the PNR, the inspection of inland waters (reservoirs) is still insufficient at the grassroots level.

Collective Action Essential

Perhaps not everyone is aware that our country can earn anywhere from $8,000 to $10,000 for a ton of lobster on the international market.

Let's look at the amount of confiscations again, 674 kg in 1988, for example. How much is lost to those who are not caught?

There is a clear need to crack down harder on these violators of socialist legality, and to provide a response to the workers in the sector who repeatedly and rightfully express their concern.

The MIP is making an effort to bolster its staff of inspectors this year, although they alone will always be insufficient if we bear in mind that our country has a coastline of 5,700 km

In addition, 31 physical protection chiefs and technicians have been accredited as auxiliary inspectors to take action against those who violate Decree 103 within the confines of their respective enterprises.

Similarly, it is feasible for sports fishermen themselves to organize and patrol the coasts and reservoirs. Furthermore, there are plans to form commissions of commercial and sports fishermen, fishing regulation inspectors, and Border Patrol personnel to catch illegal fishermen.

Naturally, the most important thing is to increase the number of patrols of the fishing areas, in coordination with the Border Patrol. Both this entity and the PNR must confront this problem vigorously.

Another element that would help reduce this negative practice is the passage of a new law on fishing, covering commercial, sports, and scientific activities, which would considerably increase the fines imposed on those found in violation.

More rigorous controls are being implemented immediately, but they will not be worth anything if there is not a truly collective awareness of the need to fight against illegal fishermen.

Man Arrested for Black Market Trafficking

FL1509202289 Havana Tele-Rebelde Network in Spanish 1700 GMT 15 Sep 89

[Text] Members of the National Department Against Economic Crimes, along with combatants of the Seventh Unit of the National Revolutionary Police, have arrested citizen (Edgar Estancolucas) for conducting illicit economic activities.

This citizen bought and sold plastic flowers, lamps, and costume jewelry, which he later supplied to individuals who resold the material. Plastic and metal crafts valued at more than 70,000 pesos were also seized from (Estancolucas).

Police investigations revealed that part of the raw material used to make the objects was illegally obtained. (Estancolucas) conducted his lucrative activities with the use of a license that only authorized him to make specific craft items in his house.

Citizen Arrested for Negligence in Duties

FL1509205989 Havana Radio Progreso Network in Spanish 2230 GMT 14 Sep 89

[Report by Police Reporter Alemay]

[Text] Citizen Noel Garcia Linares, resident of Aventura No 10604, Apt No 3, between Fifth and Sixth Streets, Casino Deportivo neighborhood in Cerro Municipality in Havana City Province, has been arrested for being directly responsible for the crime of not fulfilling his duty of taking care of state property, as stipulated and sanctioned according to the current penal code.

We were given this information by the police instructor responsible for this case. In the eighth municipal unit of Boyeros, the accused held the position of warehouse chief of a refrigeration workshop located on km 5.5 in the town of (Cardevil) in the same area. After National Revolutionary Police [PNR] combatants conducted an investigation in the work center, 31 motor compressors valued at 1,870 pesos were found to be missing.

During the investigation, it was demonstrated by an inventory —that was conducted previously while he was responsible—that the accused received the material at the warehouse and that nothing was missing. Later, due to a lack of control and negligence in his duties, he did not know the whereabouts of the lost equipment. Garcia Linares was immediately taken to the Eighth PNR Unit where he was booked for the crime.

The economic police said that irregularities had existed in the workshop in controlling material assigned to the warehouse.

Taking all this into account, the warehouse administration agreed to dismiss Garcia Linares from his position. The accused is also being detained until the investigations have been concluded. At this time he will be brought before the organ of justice which will be responsible for the oral hearing and the application of the appropriate sentence.

Caribbean Affairs

Jamaican Assistance to Hurricane Damaged Islands

FL1809120789 Bridgetown CANA in English 2236 GMT 17 Sep 89

[Text] Kingston, Jamaica, Sept 17, CANA— The Jamaican Government has offered its assistance to Dominica and Montserrat which were among the islands which suffered damage at the hands of Hurricane Hugo.

Prime Minister Michael Manley told the 51st annual conference of the People's National Party on Sunday that the Jamaica Defence Force [JDF] and the Office of Disaster Preparedness (ODP) had been put on standby to fly into Montserrat and Dominica as soon as the weather permitted.

"I had hoped that the special JDF plane would be airborne by now (Sunday) but I understand it is still raining heavily and that the airports are closed.

"I want them to know that just as they rallied to us when we were hit by Hurricane Gilbert, we will do what we can to help them," Manley said.

The prime minister also offered assistance to Guadeloupe which was also hit by Hugo.

Gilbert slammed into Jamaica last September killing more than 30 people and causing millions of dollars in damage.

Aruba

Bogota Cartel Pilot Reportedly Arrested

PA1609035189 Caracas Venezolana de Television Canal 8 in Spanish 0027 GMT 16 Sep 89

[Text] Venezuelan pilot Gerardo Lares Mateus has been arrested in Aruba, and charged with being one of the main agents of the Bogota cartel in charge of transporting cocaine to the United States, Colombia, Panama, Aruba, and Venezuela. The pilot was arrested after 3 years of joint investigations by U.S. detectives with the Judicial Technical Police [PTJ] and other Latin American state security organizations.

A total of 10 kg of cocaine, 93 automobiles, helicopters, and boats, and $45 million in cash and property belonging to the criminal organization were seized during the Operation Piscis investigation. The PTJ seized two homes, one cattle ranch, one small plane and other property belonging to Gerardo Lares Mateus in Barquisimeto, Federico Prieto Paredes, the PTJ Drug Control Chief, disclosed.

[Begin recording] [Reporter] Do you have specific information on the activities of Gerardo Lares Mateus in this organization?

[Prieto Paredes] His specific duties within the organization were to launder money, fly from Bogota to the United States—an operation he financed himself through money laundering—as well as engage in drug trafficking in Miami. [end recording]

The international investigation and struggle against drug trafficking with the participation of the PTJ has not ended yet, as some very important individuals living in the United States, Panama, Curacao, and Aruba have yet to be captured, according to the information disclosed by Federico Prieto Paredes.

Dominica

Government To Seek Reconstruction Assistance

FL1809232089 Bridgetown CANA in English 2108 GMT 18 Sep 89

[By Morris Cyrille]

[Text] Roseau, Dominica, Sept 18, CANA—Acting Prime Minister Brian Alleyne said on Monday that the government would seek external assistance for the reconstruction of roads and for the agricultural sector ravaged by Hurricane Hugo. He said on state-owned radio that serious damage was done to bridges and drains as well.

Alleyne said the agricultural sector had been set back, with about 80 percent of Dominica's banana crop, the island's economic mainstay, reportedly flattened when winds associated with Hugo passed to the northeast of the island on Saturday night and early on Sunday morning.

"A lot of damage has been done to the infrastructure which we have done so much to in the last several years," he added. "We have been severely set back, there's no doubt about it," he said.

Alleyne said the government wished to ensure that Wincrop, the Windward Island's banana insurance scheme which was launched last year, moved quickly to assess the damage and "pay farmers so that they can get back into normal activity."

"We will be speaking to the financial institutions and to the banana corporation to see what can be given, and of course we will be tackling the international agencies, EDF (European Development Fund) and others for stabex [not further identified] financing and generally for assistance in the areas of the economy."

"I don't know how soon we will be able to make banana shipments," he said.

According to Communications and Works Minister Alleyne Carbon, who lives in the north of Dominica, about 80 percent of bananas were flattened by Hurricane Hugo Saturday night and early Sunday morning. Carbon said damage to roads will run into several million dollars.

Business in Roseau was operating as normal on Monday but some roads leading into the capital were inaccessible. Some were blocked because of landslides and others were ripped apart by sea erosion. A bridge at Belfast, which links the entire northeast and northwest to Roseau, collapsed. Travellers could either cross the river by foot or take the much longer distance inland, residents said.

Haiti

Institute, Justice Ministry Sign Agreement

FL1809175989 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 15 Sep 89

[Excerpts] The International Research and Development Institute of Haiti [IHRED] and the Justice Ministry have signed, within the framework of what the justice minister termed a reform of the court system, an agreement aimed at bringing about more justice for the peasant masses.

Yesterday, 14 September, at the Ministry of Justice, the ministry, represented by Justice Minister Augustin Romain Ceme, signed a protocol agreement with IHRED, represented by its President Leopold Berlanger. This protocol is a project submitted to the Justice Ministry by IHRED aimed at providing relief, especially to the peasants in the rural areas in relation to a number of difficulties they are encountering with civil registry—birth certificates, marriage certificates, and the like. The protocol also seeks to provide relief to landowners, and to effect the distribution of justice in general.

Under this agreement, the Ministry of Justice is to organize a series of seminars for training and analysis in each (?of) the nation's (?15) jurisdictions for the population that is encountering these problems and for the different agents involved in these matters, such as the civil registrars, the notaries, the surveyors, and the justices of the peace.

In the speech he made on this occasion, Mr Berlanger insisted that money be allocated to the civil registry in the Justice Ministry's next budget. [passage omitted]

[Begin Berlanger recording] In the last analysis, the third aspect that deserves our attention is an extension of the first two. Our desire to make all Haitians full, first-class, citizens with equal rights and duties needs to be solidified, integrated into our practices. It is merely not enough to lament condescendingly the fate of the underprivileged masses in the hinterlands. We must take the concrete measures necessary to ensure their dignity as men and as first-class citizens of a fatherland they built with their blood and labor. [end recording] [passage omitted]

Agriculture Party Announces New Alliance

FL1509211689 Port-au-Prince Radio Nationale in Creole 1300 GMT 14 Sep 89

[Text] According to a press release from the information service of the National Agricultural and Industrial Party, or PAIN, the PAIN has held a departmental congress in Les Cayes. Delegates from all over the department of the south participated in this congress.

In the opening speech, PAIN President Louis Dejoie II reviewed the political situation in Haiti. Mr Dejoie insisted on the need for Haiti to have a freely elected government chosen by the Haitian people.

Dejoie stressed the importance of such an alliance as the Movement for the Organization of the Country, Mobilization for National Development, and the PAIN coalition, considering the three political parties' desire to lead Haiti along the path of development and change.

Mr Dejoie reiterated his position on future legislative and presidential elections, saying these elections should be held before 7 February 1990.

PAIN Secretary General Abel Leger discussed the organizational and operational aspects of the PAIN. Although PAIN has popular support in the nine geographical departments of Haiti, it must have a solid structure with durable foundation, said Mr Leger.

Panpra To Hold First National Congress

FL1509211189 Port-au-Prince Radio Metropole in French 1600 GMT 14 Sep 89

[Excerpts] Serge Gilles' Nationalistic and Progressive Revolutionary Party of Haiti [Panpra], which has allied with Marc Bazin's Movement for the Establishment of Democracy in Haiti [MIDH] and the National Patriotic Movement of 28 November [MNP-28], is holding its first national congress at the end of September.

It is under the theme "A National Alliance for Democracy and Our March Toward Democratic Socialism" that the Panpra's central leadership and delegates will be meeting from 29 September to 1 October. Panpra held a news conference yesterday and [Metropole reporter] Rothschild was there.

[Rothschild] Panpra is planning to hold its first national congress at Kaliko Beach next 29 September to 1 October. At this congress, Panpra will be transformed from a party of cadres to a mass party. There will be 2,200 delegates from all over Haiti plus numerous international political figures participating in the congress.

Party leader Gilles says that after 3 years, Panpra has 180,000 members from all sectors of society. At this first national congress, party members are to vote on a definitive program, new statutes, and new internal party regulations.

[Begin Gilles recording, in Creole] Development without democracy is no good and democracy without development is no good. [passage omitted]

We feel our first national congress must take a position on the problem of agrarian reform, which concerns more than 85 percent of the population. The women's problem is also serious. You can talk about progress, democracy, and development all you like, but you are talking for nought if women are not organized and motivated. [passage omitted] This is a long-standing problem.

The third large, serious problem that our national congress must address is the matter of the environment. [end recording]

Serge Gilles says that Panpra is aiming at coming to power, either alone or together with other parties, through democratic elections and within transparency.

Gilles feels misunderstandings regarding alliances must be cleared up by establishing the difference between alliances and joint political action, like that taken by the Committee for Democratic Accord [Comite d'Entente Democratique].

Our alliance with the MIDH and the MNP-18 did not just fall from the skies, explains Gilles. It is the result of 9 months of work. This alliance is an example of dialogue and reaching agreement within an open atmosphere, based on a protocol agreement that is nothing other than a common program.

Asked about the possibility of the National Committee of the Congress of Democratic Movement [Conacom] entering into this alliance, Gilles said the door is wide open to Conacom.

The Panpra leader asks the Permanent Electoral Council to publish the electoral calendar, so that elections can be held within a reasonable length of time. Gilles also says that there will have to be a political will on the part of the Avril government, in order for elections to be held.

Regarding the economic measures announced recently by the government in agreement with the International Monetary Fund, Gilles thinks there is no problem as regards the principle of negotiating with the IMF. However, Gilles feels the government was lacking the capacity to negotiate and the capacity for reimbursement.

Gilles feels the government's economic policy is ineffective. He believes the solution to the crisis is the installation of a democratically elected government.

[Begin Gilles recording, in Creole] [passage omitted] No economic measures are bad per se. It all depends on the juncture (?and) on the economic, political, and social structures involved. [passage omitted] Thus, there are problems to be solved, and we of the Panpra feel that the only way to solve them is to find a political solution.

We must hold serious elections in this country. We must have a credible government capable of negotiating and capable of giving the Haitian people a certain ability to reimburse. [end recording] [passage omitted]

Party Leader Jeanty Notes Division in Army

FL1809163589 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 15 Sep 89

[Excerpts] The Reverend Vladimir Jeanty, head of the Haitian Party of God [Paradi], stated his position on the current political situation in Haiti at a news conference yesterday. One of our reporters was present.

[Unidentified reporter] Rev Vladimir Jeanty said at a news conference held at Paradi headquarters on Fontamara 27 on the 14 September that because of the level of insecurity in Haiti, speaking to the Haitian people of elections is to lead them straight to a massacre worse than that of 29 November 1987. Jeanty said the current government does not have popular support. It is in power today only because it has weapons.

The Army is also divided. No one can expect anything serious from this government. The past of the general/president heading the government shows clearly that he is not someone the Haitian people trust. Paradi declares that elections are not possible in Haiti. Listen.

[Begin Jeanty recording] [Passage omitted] The Army is finished. Any intelligent person should be able to see that there is no united Army in Haiti.

Let me tell you something quite simply, gentlemen. For example, if a part of the Army sees that if elections are held, such and such a group will take power and that they will be in danger. Well, they have weapons and will cause disorder, just like (?before). Do you know what I mean? [passage omitted]

The Army is extremely divided. (?Thus), to hold elections right now would be criminal. To go to elections at present would be really criminal. I repeat, criminal. Under the Avril government, the government cannot provide security for you in your own country.

The nation's economy is a mess, right? How come? The Avril government is a de facto government which the Haitian people did not choose. [passage omitted] However, since it is Avril who has the weapons, he who has the military, he has the country for the time being. [passage omitted] (?He) does not even have a united

Army behind him. He might wish to believe that he does but he does not. That is why he has no force. [end recording]

[Reporter] Rev Jeanty denounced a danger hanging over the head of the Haitian people. A letter from Congressman Walter Fauntroy to President Bush asked him to send OAS troops to hold elections in Haiti and remain for 2 years after the new president takes power. Rev Jeanty asked the Haitian people to discard any and all ideas of an intervention by foreign countries, because it is the U.S. occupation of 1915 that put the nation where it is today. Jeanty proposed that the foreign countries that are truly friends of Haiti come and set up another Army, with the help of conscientious young Haitians in Haiti who would like to save the nation. Listen.

[Begin Jeanty recording] This idea of Walter Fauntroy's must be fought, because, I repeat, Mr Fauntroy's idea does not take into consideration the Haitians people's past. [passage omitted] Everyone who knows about the U.S. occupation should know that any and all foreign intervention should be rejected.

There is a lot of unemployment in Haiti at present. What young man would not be happy to join the Army? He would be a member of the military and would be protected himself, while constituting protection for others. [passage omitted] [end recording]

PUCH's Theodore Claims Bourjolly Set-Up

FL1809184789 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 18 Sep 89

[Text] Max Bourjolly, the No 2 man in the Unified Party of Haitian Communists [PUCH], who the Petion-Ville barracks police arrested last Friday, appeared before examining magistrate (Henock Voltaire) Saturday morning accompanied by his lawyer, Mr (Jean Claude Nord). However, Bourjolly had already gone before the public prosecutor before he appeared before the examining magistrate. Bourjolly's lawyer had not been invited to appear at his side before the public prosecutor.

Bourjolly was arrested Friday afternoon when he went to the Petion-Ville barracks to ask the police to release his bodyguard, who the police had arrested for carrying an Uzi machine-gun without a permit. Bourjolly has a permit issued by the police authorizing him to carry a revolver.

On Saturday morning, while Bourjolly was before the examining magistrate, one of our reporter's interviewed PUCH number one man Rene Theodore, who discussed Bourjolly's arrest. Let's listen to what Mr Theodore said.

[Begin Theodore recording, in progress]...citizen Max Bourjolly, a great defender of the Haitian people, is presently before examining magistrate (Henock Voltaire), accompanied by lawyer (Jean Claude Nord).

We hope they will provisionally release Bourjolly because of all the circumstances. We hope that legality will have triumphed over arbitrariness, and that the courts can see clearly into this situation.

In any case, we are not going to minimize the arrest of Max Bourjolly, nor are we going to close our eyes to the fact that the arrest is a plot carried out against citizen Max Bourjolly and the PUCH. This was a set-up!

We have several reasons for saying this was a set-up. First of all, several sources have told us very clearly for several weeks that certain authorities were trying to find some kind of charge on which to arrest a few well-known and popular Communist leaders. This was an attempt to see if they could divert the Haitian people's attention away from the major problems the country is facing which is the problem of the Haitian people's hunger and extreme poverty. They especially wanted to see if they could manage to defuse the people's movement to rise up and cry out against the high cost of living, against the mad dog policy that this government has launched in Haiti in agreement with the IMF.

As we said, we have had several indications. Young people who have been questioned on the radio have reported that they were slapped at the Port-au-Prince police station and at the Investigation and Anti-Gang Service in order (?to get them to say) that it was Rene Theodore who had sent them out into the streets to do bad things. All this shows you the unscrupulous methods used to implicate the Communists in wrongdoings.

There were many indications. On the very eve of the event, people had been telling us to be careful because there is a plot being hatched against you.

Well, where there's smoke, there's fire. A plot was indeed hatched. However, the plot was effected at a moment when the entire Haitian people are on the alert, waiting for Monday, so that they can—at noon sharp—engage in their noise-making session, honk their horns, and stop all cars in the middle of the street. This is the procedure called for by all the organizations—all the unions and different political parties and associations that met the other day. They called for a great day of protest on Monday.

The government arrested Max Bourjolly thinking that it could divert the Haitian people's attention and make it focus more on solidarity with, and the release of, Max Bourjolly. The Haitian people would forget the protest movement that is planned for Monday. Well, we will be in solidarity with Max Bourjolly. At the same time we will protest, because the protest on Monday simply must work. It simply must be a success. It is the very life of our people that we are defending, (?along with) the struggle that the entire people must rise up and wage together.

On Monday at noon, and until 1215, everything must be paralyzed in Haiti, so that they will realize just how many people in Haiti are aware of the fact that the situation is extremely critical. It calls for action, awareness, and the rising up that is to occur at noon on Monday against the government of Prosper Avril and all the (?crooked) policies he (?is employing) to hamper the life of the Haitian people. [end recording]

Only the Haitian people can save the Haitian people.

ANOP Holds News Conference on Cost of Living

FL1509205789 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 14 Sep 89

[Excerpts] In view of the important measures taken by the government at the demand of the International Monetary Fund—which certain observers say are going to increase the cost of living further—ANOP, or National Alliance of People's Organizations, yesterday morning put out a booklet on the high cost of living entitled: "The High Cost of Living: The Haitian People Say 'Enough'".

This five-chapter document discusses the ANOP's reflections on the high cost of living in Haiti.

Who is responsible for this high cost of living? [passage omitted]

The ANOP sets forth the peoples organizations' position on the struggle they have been waging against the high cost of living since December of last year. The ANOP took this opportunity to openly state its position vis-a-vis this large problem of the high cost of living that is strangling the Haitian people more and more every day.

The peasant organization within ANOP, the Organization for the Assembly and Defense of the Peasants, detailed their struggle since 7 February 1986. They consider the abolishment of marketplace taxes their victory, because they have been asking for this for a long time.

However, the ANOP said that while the government is abolishing these taxes, it is increasing the price of articles of prime necessity. [passage omitted]

[Begin unidentified speaker recording] [passage omitted] We will continue to struggle to lower the price of cooking oil, flour, sugar, soap, gas, cement, tin sheeting, and so forth.

Second, we need the government to lower the cost of leasing government land and land belonging to other big landowners in Haiti. The only way it can really do this is to draw up a contract directly with the people working the land—on the price of the 1/100th of a carreau [1 carreau = 1.29 hectares] and according to the quality of the land. These same prices should apply to the land belonging to the big landowners too.

Third, the government should dismiss and bring to trial the macoute section chiefs. Section chiefs should be under the Justice Ministry instead of the Haitian Army.

Fourth, the government should take measures to end insecurity in Haiti and acknowledge vigilance brigades as one of the responses to insecurity. We say: Down with poverty, down with hunger, down with insecurity, and down with repression. [end recording]

At this news conference, the ANOP emphasized the direct consequences the application of the IMF's demands is going to have on all sectors of the population. The ANOP says the series of measures are not in keeping with Haiti's economy and the situation of Haitian peasants.

[Begin unidentified speaker recording] The government has decided to collect TCA [a tax] on all transactions of over 300 gourdes per day. [passage omitted] This means you have to pay 10 gourdes tax on every 100 gourdes you bring in. If you make 300 gourdes, you give the government 30 gourdes to pay the IMF, which repays debts that we the Haitian people did not incur. [passage omitted] This means that the cost of living is going to become even higher for the Haitian people. [end recording]

Montserrat

Foreign Aid Donors Discuss Relief Requirements

FL1809194589 Bridgetown CANA in English 1915 GMT 18 Sep 89

[By Hallam Hope]

[Text] Bridgetown, Barbados, Sept 18, CANA— Foreign aid donors on Monday began co-ordinating efforts here to re-open disrupted communications with hurricane ravaged Montserrat and St Kitts and discussed likely relief requirements.

The United Nations Development Programme, one of whose senior officials chaired the planning meeting, pledged U.S. 30,000 dollars in emergency aid to each of the islands, but officials said that lack of specific details on damage was hampering relief planning.

A British Navy helicopter landed in Montserrat on Monday with an officer to help assess the situation, and the British frigate HMS Alacrity and an auxiliary vesssel, RFA Brambleleaf, were steaming to the island with some emergency supplies and tools.

Montserrat, a British dependency, appealed for international assistance after Hurricane Hugo swept through Guadeloupe, Montserrat and St Kitts at the weekend leaving a path of destruction to houses, power lines, domestic and international communications, crops, hospitals and government buildings.

Four persons were reported confirmed dead in Montserrat, and two unconfirmed, by ham radio operators.

Dominica and Antigua and Barbuda were reported to have received much less damage.

In Montserrat, more than 90 per cent of the population of 12,000 persons were reported by ham radio operators to be homeless, but specific information on the types of damage to houses and utilities, necessary to help determine allocations of aid, was sketchy.

The meeting in Barbados agreed to use HMS Alacrity, which has satellite links, to obtain information on Montserrat.

A Regional Defence Force plane landed in St Kitts on Monday to assess damage, and aid representatives at the meeting said the United States would also be asked to help set up a communications centre there.

Commercial airline services have been suspended because of damage to airports, and the meeting discussed alternative air and sea means of getting aid to the islands.

The Jamaica Defence Force was reported on standby to provide manpower and British officials said military aircraft would be ready to fly from Britain with supplies.

Dr Halmond Dyer, the Caribbean programme co-ordinator for the Pan American Health Organisation headquartered here, said apart from communications, shelter and water appeared the other main priorities.

He said medical supplies as well as health officers were on standby to go into the islands, once communications and transportation links were restored.

Navy 'Not Interested' in Joint U.S. Maneuvers

PA1809144189 Mexico City THE NEWS in English
15 Sep 89 p 4

[From the "Spotlight" Column]

[Text] The Marines - A bulletin by the Mexican Navy states that the country does not need the help of the United States to fight drug traffic at sea. It explained 25,000 Marines have been strategically deployed along the coasts and are ready for any eventuality. It added that while the navy is short of needed equipment, it still has enough to do the job. It said the ports of Sinaloa, Quintana Roo, Baja California, Yucatan and others are already well protected. The bulletin also insisted the navy was not interested in joint actions with the U.S. vessels.

* Colosio Defends Role of PRI Sectors

32480205 Mexico City EL DIA in Spanish
11 Aug 89 p 7

[Text of address delivered by Luis Donaldo Colosio, president of the Institutional Revolutionary Party, at Benito Juarez sports facility, Minatitlan, Veracruz, 10 August 1989]

[Text] First of all, I would like to extend my affectionate greetings with party solidarity to the national leader of the petroleum workers, our friend Professor Sebastian Guzman Cabrera.

I would also like to acknowledge the value and significance of having the leaders of the 33 sections of the country here with us at this important and significant popular assembly. Our recognition and particular gratitude go to them.

I would especially like to thank our friend, the petroleum workers' leader in this southern part of the state, our friend Francisco "Chico" Balderas, for his presence and solidarity.

This popular assembly, the popular assembly of petroleum workers, is without a doubt a gathering of an Institutional Revolutionary Party (PRI) force that is of proven activism. We must interpret this event as evidence of the vigor, of the unionist strength, and of the drawing power of your leadership.

This event is also significant because it is in Veracruz, an oil state that is solidly Priist. This is an important popular assembly because it expresses the desire of men and women, oil workers, to strengthen our party and to participate in the tasks of renewal. If you will allow me, I would like to take this wonderful opportunity to make a contribution with our internal and fraternal debate and to strengthen here an old tradition of Mexican revolutionaries and their organizations—a tradition of free discussion with no holds barred which was at the root of our party, more than 6 decades ago, and which today we are vindicating and promoting as one of the characteristics of the Party of the Mexican Revolution, not only that of the present, but that of the future.

Our party is and will always be a party of deliberation, the party of reflection, the party of rational arguments, of criticism and self-criticism for a purpose.

The Institutional Revolutionary Party is becoming a forum of debate in the complex and changed society that is Mexico. It is the debate of part of society, the debate of a party. But it is undoubtedly the debate and reflection not only of the majority party of society, but also of one of the most significant parts of the history, culture, and politics of contemporary Mexico. In this debate, the interests of the great majorities, the interests and needs of the poorest sectors resound. It is the debate of the party that governs and seeks to govern in such a way as to broaden the changes that will update the demands of the great modernizing revolution of Mexico.

I would like to reflect with you on a problem that is very important for our party and for the country. This matter has to do with the urgently needed, necessary and fruitful reorganization and democratization of our party. At stake are the role, the significance, and the tasks of the traditional sectors of our party—the worker, peasant, and popular sectors—in shaping the new era of our party. In the mission of our traditional sectors to ensure that the PRI responds to the new times of modernization and full democracy that Mexican society demands. In the tasks of our sectors in the complicated process of democratic competition and pluralism. In the transition from a party that was practically the sole party with a nearly undisputed consensus to a great modern party that will compete for power so that it can turn the various initiatives of the citizenry into laws and government programs in pursuit of the well being of Mexicans and the furtherance of the general interest.

Many voices, lacking both good arguments and good intentions, have sought to discredit the sectorial organization of the party and have wanted to promote a confrontation between the sectorial and territorial structures. They are stridently trying to invent an irreconcilable problem: The party should decide either in favor of its traditional sectors, workers, peasants, and popular sectors, or exclusively in favor of the new groups and movements of civil society.

Some have said that modernization and internal democratization of the party of necessity require dismantling the sectors. The party must be cognizant of the new attitudes, groups, and initiatives of society, and must build its new network of alliances on that foundation, abandoning its commitment to the worker, peasant, and popular sectors either silently or with great fanfare, in favor of other sectors.

Those views are incorrect. This is a false dilemma. It cannot be stated in these terms. This party has a history; it is not being invented now. We did not come from nowhere, nor are we reacting to the political experiences of the moment. This party has been one of the very central actors in our national history. It has done so through the action of its worker, peasant, and popular organizations. This is the party that no other party can ever be. This is the party of the Mexican Revolution. It is entirely committed to the causes of social justice. We are fighting for the elimination of social situations that block equality of opportunity and the full development of human faculties. We are vindicating and updating our commitment to struggle against poverty, ignorance, exploitation, discrimination, and the degradation of life that many Mexicans still suffer.

We must ask ourselves in all honesty whether this program of equity and social solidarity can be accomplished without the workers as a foundation, without a connection with their production, their vision of problems, their proposals.

We must ask ourselves whether this program, which is linked to a rule of justice, to structures, institutions, and behaviors of equilibrium and distribution of social effort, can be undertaken in a complex and unequal society like ours without a popular foundation, without dynamic mid-level sectors dedicated to overcoming such problems, without middle classes that have been and are the piston of social mobility in contemporary Mexico.

We ask ourselves whether the program of social justice for the majority of Mexicans is conceivable without those who were the social foundation of the rebellion, without the men of the soil, without their roots, without their labor, which has fed our children for decades and has laid the groundwork for national development. Is the social justice envisioned in our program possible without paying the first great historical debt owed by modern Mexico to the peasants? Without the unified effort to achieve the urgently needed modernization of the countryside? Has the Mexico of today been possible, and is it possible, without the devoted and sometimes self-sacrificing participation of the men and women of the countryside?

Our party is also the institutional party. It is the party of the Constitution, of civil and political liberties, of legality, of nonviolence. The party of equality before the law, not of transgressions or exceptions.

We ask ourselves whether this commitment to liberty and law can be carried out in this country without the workers as a foundation and a point of reference, without initiative and vigor, without the criticism and participation of the urban middle classes of Mexico, without quiet and productive tenacity, without the temperance and risks of the peasants.

These difficult, harsh 10 years of economic crisis, of stagnation, of the impoverishment of the majorities, of deteriorating real wages, of declining standards of living, of shrinking opportunities and expectations, could have been destabilizing, destructive, even violent. But they have not been, and they have not been because of the unified vision, the labor discipline, and the high social responsibility of the workers movement. They wouldn't have been like this. The country would not be painfully laying the groundwork for its recovery. It would not be in a position to expand and strengthen its democratic political system without the solidarity of the workers in the city and the countryside with society as a whole and with the public interest. This cannot be forgotten by our generation. And it will not be forgotten by future generations.

That is why it is absurd to pit the citizenry against the workers movement; it is irresponsible to pit the general interest of the nation against the interests of supposedly exclusive trade unions and confederations. If any social sector in the country has taken into account the general interest of the Republic, political stability, and social peace, it has been the Mexican working class.

The same goes for accusations of parochialism, of exclusive private interests, of unshared spoils, of undeserved privileges during the period of development as well as the crisis; these accusations are unfair and circumstantial. Corporate interests and selfish, parochial attitudes have not been the rule in the conduct of the organized labor movement. Many times the worker sector has muffled its demands, has postponed legitimate grievances, and has done so for the sake of broader interests of national unity and the general welfare....

In the history of modern Mexico, in the history of the Mexican workers movement, there is a clear tendency toward civic duty in the workers movement. There is indeed a public spirit in this country. There is indeed a citizen culture, thanks in large measure to the way the workers movement has acted and continues to act.

The Mexican middle classes have been able to contribute their efforts, their sacrifices, and their creativity to the crisis. The years of deteriorating income for Mexicans were years of stagnation in the middle class. In a short time, a social environment that was conducive to disillusionment was created.

Nevertheless, the Mexican middle classes refused to listen to the prophets of doom, and were able to maintain their position as the cornerstone of national stability. Their contribution was decisive, and the national institutions owe an eternal debt to the middle classes of the country.

It was in these classes where new forms of organization were forged and new economic concepts promoted social organizations that were more independent, more critical, more coherent in their proposals. These organizational forms pose a challenge to our party, and we are committed to reaching them in the immediate future.

The peasants of this country are a sector of the population that has always been committed to national causes. In the crisis, they contributed their effort without quibbling at all. The prices of staple goods that are produced in the countryside were reduced, and along with them fell the wages of the men and women of the countryside. They also deserve recognition for their contributions.

In the Mexican countryside, our party must overcome the obstacles of an organization immersed in the past. We need to fortify the initiative of the peasants there and to put their strength to better use. The generosity of the peasants should be channeled and converted into productive and efficient solidarity. We will reduce the amount of space devoted to cacique holdings and simulated leaderships. The peasant sector is one of the pillars of our party, and we will redouble our efforts in the countryside.

Of course in the worker sector, just as in the peasant and popular sectors and in the party as a whole, we must examine our established patterns of thought and action. We must discuss, process, and propose specific guidelines to renew the sectors and the party. The growth and organic strengthening of the party must take place, under the new social conditions, with a view to society. The ultimate meaning of the PRI as the great party of the Mexican future is that of the democratic struggle and competition for government power. We cannot avoid self-criticism on the assumption that there are no defects or shortcomings. That is no help to the worker movement or to the party, its peasant or popular sectors.

To democratize the party is to democratize its organizations. The legitimacy of the party's leaders entails and demands the legitimacy of the leaders of its organizations. The party's combativeness and its social commitments depend on the combativeness and specific commitments of its organizations. The party is the mediator between the needs and initiatives of the citizens and the needs and initiatives of the groups of civilian society with the government. It is, and should become increasingly, the impetus for legal reform and for the forms of institutional political leadership of a democratic government, for economic recovery. And above all, it should be the political instrument that will emphasize the unified orientation of the national effort to help the most under-privileged in the incipient conditions of economic recovery.

The sectors of the party are the historic legacy not only of the PRI, but of Mexico. This is not a problem that other political parties contend with, as their origins, traditions, and political cultures do not entail and cannot accommodate great sectors of organized masses of the people. This is a problem that is relevant to us, the historic party of the revolution and of the modernization of contemporary Mexico. We must adapt to the new circumstances of national politics. We must work together to redefine the ways in which the sectorial presence can merge with our citizen and territorial structures. We must take advantage of the vast social and historical force of our party and its sectors in terms of competing for votes. The citizen orientation of the workers movement should be expanded and updated, and the sectors should revive their republican tradition in their party instrument.

Our party is a party of free discussion. It is a party of national deliberation. We face with enthusiasm and with the best use of our intelligence the problems and challenges of this issue. The debate is open. The party wants to develop and expand the discussion, to offer the best conditions for free debate. No one in our party interprets different points of view as destructive, as schisms or conflicts. Our party has always been an expression of complexity and pluralism. Therein lies our strength, and the rational processing of positions is the source of our unity. To disagree is not to threaten loyalty or discipline in the PRI. Fellow party members, the debate on this issue and on all issues that affect our party life is open. The 14th National Assembly will be a point of convergence so that we can specify and refine our united positions. The time for discussion is now. Our party debates are of interest to national public opinion as a whole.

Leaders of Veracruz, fellow party members, the modernization and democratization of our party are under way. They are proceeding in earnest. One fundamental and decisive component is to face reality without flinching. Collective, critical, and free deliberation is an essential nucleus of our internal democracy and our ability to bring together the citizenry.

Thank you for the opportunity you have given me here in Minatitlan to discuss these problems with you. We will continue to do so. Every voice is important, especially the voices of the worker, popular, and peasant sectors. I am fully confident that the various points of view will shape a unity of thought and action in our party that will enable us to remain in the vanguard of the democratic modernization of Mexico....

Thank you very much.

Petroleum Company No Longer Importing Oil

PA1409150289 Mexico City THE NEWS in English 10 Sep 89 p 3

[Text] The biggest business in Mexico, the state-owned petroleum company, announced this past week that it is no longer importing petroleum as it did during the first seven months of the year—38 million barrels a day at a cost of 200 million dollars. This expenditure was compensated for, they say, by the export of crude and other products that until July totaled 4 billion, 460 million dollars, according to first estimates.

Belize

Price Government Outlines Economic Policies

FL1609110089 Bridgetown CANA in English 0258 GMT 16 Sep 89

[Text] Belmopan, Belize, Sept 15, CANA—The new administration of George Price has committed itself to developing the country's economy, with agriculture and agri-business playing central roles. The Price government outlined its economic proposals during the ceremonial opening of parliament Friday, the first since general elections here last week.

Governor General Minita Gordon said, "tourism as a foreign exchange earner, offers promises for opportunities, and its potential to augment the economic resources of Belize is fully recognised."

The Price administration, which holds 16 of the 28 seats in parliament, said it would continue to welcome genuine foreign investment, "to join us in the work of development in expanding trade and providing increased export earnings and economic activity".

During the sitting, former Governor of the Central Bank of Belize Robert Swift was appointed speaker of the assembly.

The president of the Senate will be Jane Usher, a sister of Prime Minister Price and former government politician.

Costa Rica

Security Minister Orders Arrest of 'Mercenary'

PA1809233089 San Jose LA NACION in Spanish 13 Sep 89 p 10-A

[Text] Public Security Minister Hernan Garron Salazar yesterday ordered the arrest of a mercenary calling himself "David," who is apparently forming an armed group to attack the Panamanian Government.

An ACAN-EFE report stated that this man told Costa Rica's television Channel 7 that he is an anticommunist and that he will fight drug trafficking.

According to "David," his group is called Panamanian Resistance, has recruited 1,200 men who are currently in the mountains of northern Panama, and "will begin their actions in a few days."

Drug Investigation Coordinated With Colombia

PA1809034389 Paris AFP in Spanish 1658 GMT 17 Sep 89

[Text] San Jose, 17 Sep (AFP)—Costa Rican authorities will seek to coordinate with Colombia investigations into the narcotics trafficking bands, after this week's seizure of 25 kg of cocaine coming from that South American country, it was officially reported today in San Jose.

In two separate operations carried out last week, the police arrested four Colombians, one Nicaraguan, and five Costa Ricans involved in the cocaine shipment that entered through Limon, a province on the Atlantic coast, one of the favorite routes of the Colombian traffickers.

The local police reported that at least three other persons are at large, one of whom is "very important" in this illegal business.

Hernan Garron, minister of public security, termed the transshipment of drugs that took place recently as "grave," and he confirmed that he will seek information in Colombia about the groups that could possibly be using Costa Rican territory.

The official stated that local authorities "are working hard" in this field, but it is hard for them to discover the systems used by the narcotics traffickers.

Three Nicaraguan Soldiers Request Refugee Status

PA1609221789 Hamburg DPA in Spanish 2056 GMT 16 Sep 89

[Text] San Jose, 16 Sep (DPA)—Costa Rican authorities reported today that Lieutenants Ricardo Quintero, Ricardo Quintanilla, and Juan Francisco Herrera—all of whom are 17 years old—deserted from the Sandinist People's Army (EPS) on Wednesday and asked to be received as refugees.

It was reported that agents from the Intelligence and Security Directorate (DIS) interrogated the Nicaraguan soldiers and decided to send them to the Immigrations Directorate to find out if they qualify as refugees.

It was learned, according to immigrations officials, that none of them meet the requirements to qualify as refugees. If the case is not resolved favorably for them, they could be deported to another country.

The three EPS deserters are currently at Red Cross offices in Los Chiles (border post) while their immigration status is being decided.

El Salvador

Cristiani Warns of 'Inflexible' FMLN Attitude

PA1909043489 San Salvador Canal Doce Television in Spanish 0343 GMT 18 Sep 89

[Report on news conference held by President Alfredo Cristiani at a "San Salvador hotel" on 18 September—passages within quotation marks recorded]

[Text] Salvadoran President Alfredo Cristiani stated today that the results of the Mexico meeting are positive for achieving peace in our country. However, he also said the FMLN [Farabundo Marti National Liberation Front] harbors some inflexible attitudes that are hindering the peace process in El Salvador.

"We are willing to continue working, using whatever means we have available in order to achieve peace."

President Cristiani said that the results of the Mexico meeting have yielded positive results, inasmuch as it was established that the dialogue will continue. He advised that the FMLN has some inflexible stands that could hinder the peace process in El Salvador.

"I think it is positive, because for the first time we have established in a dialogue process that both parties promise to carry out these efforts. These efforts are not easy, as there are many obstacles. We are going to analyze the proposal. However, we believe that these events should not continue to be given so much publicity. When a proposal is made public—as the FMLN does—it makes the stand inflexible in a way, and it makes the peace process more difficult. Therefore, we want you to understand that our agreement made in Mexico should be held in a somewhat reserved manner."

The president said that Costa Rica assisted the commission, and he did not rule out that advisers will be included in the next talks, depending on the subject that will be discussed. He also said that the government will present a proposal at that time, and he expects that the results will be positive for achieving peace. He also said they will not discuss topics that violate the political Constitution of the country.

"I think that we are the product of a legal process, and the Constitution is the basis of that process. We cannot violate the Constitution."

Workers Rally Ends in Violence, 59 Arrested

PA1909042989 San Salvador Canal Doce Television in Spanish 0322 GMT 19 Sep 89

[Report by Alfredo Villareal]

[Text] A demonstration by FENASTRAS [Salvadoran Workers National Union Federation] members to demand the release of several arrested members resulted in the destruction of two urban transportation buses and the arrest of over 50 labor leaders this evening.

Approximately 59 labor leaders were evacuated by force from the Central Baptist Church on 16th Avenue North, Concepcion neighborhood in San Salvador. The FENASTRAS members had sought refuge at that church after holding a demonstration this afternoon. The workers marched through downtown San Salvador streets demanding the release of nine activists, including a U.S. citizen, who were arrested in various parts of San Salvador by the National Guard and the Treasury Police.

During the demonstration, the workers blocked streets with six urban transportation buses. The workers punctured the buses' tires and set two of them on fire. One of the buses ran Route No 20 and the other ran special Route No 42.

[Begin recording] [Crowd shout indistinct slogans] [Explosions heard in the background of the recording]. [Crowd shouts indistinct slogans] [People heard telling others to run toward nearby streets].

[Unidentified speaker] The disagreement between the Armed Forces and the government was clearly seen here. President Cristiani has absolutely no control over the Armed Forces. We are telling the Salvadoran people to be aware of this situation and to be alert for new actions we are going to carry out.

[Villareal] What are the charges against the individuals arrested today?

[Speaker] We do not know the charges. This operation was simultaneously carried out by various security groups, including the Treasury Police, the National Guard, and the Air Force. [end recording]

In view of the disorders, antiriot policemen ran after the demonstrators, who waged a pitched battle with the antiriot troops right in the middle of the street. The antiriot police threw tear gas bombs on the demonstrators and the demonstrators threw bottles filled with gasoline and other objects at the policemen.

Most of the demonstrators started to run and sought refuge in the Central Baptist Church, where they stayed for at least 1 and ½ hours. Subsequently, the police used loudspeakers and asked the demonstrators to come out of the church with their hands up to be searched.

Since the demonstrators refused to come out of the church voluntarily, the police broke some of the church windows, threw tear gas, and succeeded in getting the demonstrators out of the church. The demonstrators were arrested and taken to the Central Police Headquarters on a public bus. The demonstrators who occupied the church included two newsmen who were later released. The reporters, however, were in bad physical condition as a result of the tear gas attack.

[Begin recording] [Unidentified Reporter] When I came out of the church, an antiriot policeman told me that he did not believe I was a reporter. He told me I belonged to FENASTRAS. He threw me on the ground and, as you can see, he pointed at me with his rifle and put his foot on me. Other soldiers came up to me at that moment and picked me up from the ground. I identified myself with my press identification card and they told me my material was going to be confiscated. I began to yell and one of them told me to get on the bus.

[Villareal] Why did you not [words indistinct].

[Reporter] They told me I could not leave. I was completely surrounded by them at the door. [end recording]

San Salvador streets have again witnessed workers protest demonstrations resulting in the arrest of labor leaders. Workers have said that if their leaders are not released, they will adopt measures to apply more serious pressure. Thus, bigger street disorders are feared.

PCN Leaves 'Tripartite' Leftwing Alliance

PA1809185789 San Salvador EL DIARIO DE HOY in Spanish 12 Sep 89 pp 3, 49

[Text] In an unexpected move, the National Conciliation Party (PCN) this weekend announced that it is removing itself from the Democratic Convergence [CD]-Christian Democratic Party [PDC] group with whom, for the past 2 months, they had formed a strong leftist, antigovernmental, and favorable to the FMLN [Farabundo Marti National Liberation Front], tripartite front.

PCN leader Alejandro Dagoberto Marroquin on 11 September told EL DIARIO DE HOY that this is a clear change in the PCN's internal policy which has returned to its traditional ideas, basically: 1) the struggle for the democratic ideal, 2) authentic nationalism, and 3) respect for human dignity.

Marroquin refused to provide details regarding why the party made this decision which supposedly ends the marked shift to the left imposed on the party by leader Hugo Carrillo whom his fellow party members have accused of being ideologically inconsistent and who has been blamed for the party's loss of popular support in the past few years.

Political analysts have pointed out that while the "tripartite" alliance operated with Carrillo as PCN representative the group stood in opposition to the Cristiani administration and harshly criticized its economic program. It joined ranks with such leftwing groups as the UNTS [National Union of Salvadoran Workers] and, later on, the UNOC [National Union of Christian Workers] in voicing opposition to the increase in bus fares while, in the meantime, the FMLN supported them on the terrorist front by burning buses and murdering drivers.

The same sources said there was another way in which the PCN rendered a service to the leftwing through Carrillo. It was when it—along with the other members in the alliance—became agents of support for the terrorists during the so-called "dialogue for peace" in Mexico. Alliance members met with the terrorists while maneuvers were under way to exert pressure on the ruling ARENA [Nationalist Republican Alliance].

The sources said that, in Mexico, the subversive leaders took advantage of the opportunity afforded to them by the "tripartite" to engage in propaganda just 2 days before the Central American summit was held in Tela, Honduras.

However, the FMLN disdainfully turned down the parties' offer to present a statement from them at the meeting and opted to use Nicaraguan dictator Daniel Ortega's good offices to do so.

On his return to El Salvador, PCN's Carrillo became the spokesman for the "tripartite" alliance, making himself visible by means of frequent television appearances in which he publicized and supported with his own opinions the FMLN's stand of calling for a "dialogue-negotiation" when the opening of talks between the terrorists and President Alfredo Cristiani's administration was imminent. In addition, he acted as an FMLN courier for the delivery of documents to various sectors.

Marroquin said the alliance has broken up because it has already fulfilled the objective for which it was created—that was to promote a dialogue between the government and the terrorists of the FMLN-FDR [Revolutionary Democratic Front]. "Once the groundwork for the talks between the government and the FMLN was laid down there was no reason for the alliance to continue to exist," Marroquin said.

He added that, contrary to what CD leader Guillermo Ungo said recently, the PCN is not shirking its responsibility in participating in the peace efforts. Instead, it remains concerned regarding the talks and will wait for the government to call upon it whenever it sees fit to make a contribution to the process.

In answering newsmen, Marroquin emphasized that the PCN's participation in the leftist front along with the CD and PDC was strictly intended to pave the way for the "dialogue" and was not intended to form an "opposition bloc" as some people may have thought.

He said the PCN will be holding a general meeting soon to announce the party's new platform.

Guatemala

President Cerezo 12 Sep News Conference Reported

PA1609022189 Guatemala City Teleonce Television in Spanish 0500 GMT 13 Sep 89

[Report on news conference by President Vinicio Cerezo on 12 September; place not given—passages within quotation marks recorded]

[Text] President Vinicio Cerezo today held a news conference during which he touched on issues of interest to the population. Regarding the latest acts of violence, the president said:

[Cerezo] "We hereby state our solidarity with the Guatemalan people, with all the sectors that have suffered the effects of violence, especially the private sector and the university leaders of San Carlos University.

"The government must acknowledge the fact that there is right now a climate of violence that has been created by groups not connected with the government that want to create a climate of instability and to cause divisions among the Guatemalan people."

The president said that the attacks on various sectors are aimed at the people and at the government. He said:

[Cerezo] "The attacks have been on sectors that could have automatically reacted against the government. The first attack was carried out against a student leader who had been supporting a candidate who was not being backed by the government, who belonged to the opposition within the government: Dr Ramiro Barrios.

"This was followed by attacks on and threats against political leaders, especially leaders who have returned to the country in recent years, so that these people would in turn accuse the government of persecution.

"Since the attacks and threats did not accomplish their objectives, violence ensued against student leaders and a teachers leader. The idea was to provoke what would be the logical reaction: accusations against the government."

Cerezo explained that under his administration, the country has enjoyed its longest period of security and stability:

[Cerezo] "This government has given the country what has been probably one of the longest periods of peace and political stability as well as security for political leaders who live abroad, including political leaders who morally or politically supported armed groups that have tried to change the institutional order. So the government has no reason for attacking political, social, or university leaders. We have demonstrated that we as a democratic government have the necessary strength and ability to control social actions within the framework of the law, including prolonged strikes that enjoy strong popular support.

"In Guatemala we had a 2-year private enterprise sector strike, and no one in private enterprise had any kind of problem with the government. We maintained our position and resisted the pressure within the framework of the law. There have been activities by popular movements and a teachers strike that lasted 10 weeks. This movement ended with a negotiated solution through legal mechanisms. We have never had to use force to put political leaders under control. Not even against the armed groups that have been confronting the government have we used mechanisms that have been used traditionally to check them."

The head of state said that his government does not maintain a policy of restrictions against any sector of the population. Regarding the murder of four university students and the ongoing investigations to clear up this case, the president said:

[Cerezo] "Some people have told us that the attackers could be persons within the student sector or belong to sectors operating within the university that want to harm the university. The investigations in this regard require not only cooperation from university authorities, who are willing to cooperate, I know, but also from students who are being negatively affected.

"Government officials are also receiving telephone threats. Political leaders and intellectuals, and even the president of the Supreme Court, have received threats. The idea is to create a climate of terror in Guatemala to justify any effort aimed at returning to the past or to force the president to use a strong hand to control violence. We have seen this happen many times in the past."

The setting of explosive devices and the kidnappings are an attempt by some to give the government justification for using a strong hand, President Cerezo said. The president stressed that the bombs and the [words indistinct] of candidates is the work of terrorists. Reporting that the results of the investigations will be presented in the next few days, Cerezo Arevalo urged citizens to help in the efforts to control violence.

[Cerezo] "First, we need the people's willingness to help, which implies having the courage to pass on information to the government, because people fear reprisals from criminals. However, if we are not all united to fight crime and terrorism, we Guatemalans will certainly be affected seriously in the future by this kind of violence, which seems to be spreading throughout the country, as we have said in the past.

"Second, I have noticed that some sectors have turned to the international community by requesting that human rights group representatives be sent here, as if the government [words indistinct]. People are aware the government is not responsible, yet they hold the government responsible. I believe that what we should do is turn to the international community—the government will do this—so the international community can help us control terrorism.

"Third, I must recognize that one of the parties, the Union of the National Center, has adopted a positive attitude by making suggestions to the government on how to control crime. We are going to study their proposals. We believe that although the proposals come from an opposition party, we should analyze them. We urge all sectors in Guatemalan society not to simply adopt the easy attitude of accusing the government. We should instead adopt the attitude of rejecting crime."

Regarding the proposals he will make during his upcoming visit to the UN heardquarters and the recent attacks in Guatemala, which he said are aimed at destroying the accomplishments achieved during the democratic process, Cerezo Arevalo added:

[Cerezo] "Among the issues we are going to point out is that, at this moment, Guatemala is the target of an attempt to undermine the consolidation of democracy. We are going to need the help of democracies that are friends of Guatemala, but not in the capacity of judges. We are going to need total support to control a domestic and international terrorist offensive that is taking place in the country and that seeks to destroy the Republic."

There are people interested in having the large number of refugees who have returned to the country since Cerezo was sworn in leave the country again to discredit Guatemala, President Cerezo said.

[Cerezo] "During 3 and ½ years of democracy, in which we implemented plans and guaranteed the rights of all citizens, Guatemala began to welcome all kinds of people: Refugees—Guatemalans who have been living in exile for years in Mexico and other countries; people who had been threatened and who were living in Costa Rica and who have returned. We do not even know where these people work because, for us, they are Guatemalans who have returned. However, we are beginning to receive reports from them. They have told us they are being systematically threatened over the telephone. Who knows where these people are or how they got their telephone numbers? How is this done? There are people interested in having these former refugees leave the country to again report that we are violating human rights in Guatemala to create a climate of international isolation. I would say we are being affected by two trends that are fighting against Guatemalan democracy."

In addition, President Cerezo said his trip to Taiwan had three specific objectives: to maintain and strengthen relations with this fraternal nation; to promote investments in Guatemala; and to obtain technical assistance for our country. He said these objectives were achieved.

The president was asked about the attitude of his government toward the media. The president said his administration respects the media and permits debates. He emphasized that no media are under pressure to exert more control over their publications, which can be seen every day since all sectors express their viewpoints with unbridled freedom.

Cerezo Arevalo was asked to give his opinion on the death penalty. He said this will be determined by the courts. The president added, however, that studies are being conducted to make the administration of justice more effective. The president said that the timing of President Bush's appeal to have an all out war against drug traffickers is good.

[Cerezo] "The timing of President Bush's proposals and appeal seems very good to us. I frankly think the President is determined to face the drug problem. Second, he said something with which we have openly agreed—that is, that this is not only the problem of Americans or Latin Americans. It is a problem affecting all. Drugs should be seen as a mechanism that corrupts institutions. Therefore, it is a problem that should be faced with joint efforts."

In this regard, Cerezo Arevalo said his government supports and promotes the creation of a council to prevent drug use.

[Cerezo] "As part of this policy, we have come up with an initiative to create a foundation in Guatemala supported by the private sector and the government to attack drug use and to guide youths. In addition, we are taking preventive measures to control the production of drugs. At this time, an important operation is being conducted near the border with Mexico to attack the cultivation of plants from which drugs are obtained."

* Presidential Funds Tripled by Transfers

32480217 Guatemala City PRENSA LIBRE in Spanish 28 Jul 89 p 6

[Text] The National Economic Research Center (CIEN) has submitted to the Congress of the Republic its No 4 Report, devoted to an analysis of the execution of the 1988 General State Budget of Revenue and Expenditures.

The document cites the major differences between the approved budget and the one executed, owing mainly to the many transfers made, which allow funds to have a change in their allocation without any control.

The report to the Congress analyzes the amount budgeted for the Presidency of the Republic and what was ultimately spent according to the Close of the Fiscal Year and Liquidation of the State Budget of Revenue and Expenditures report.

In 1988 the Presidency of the Republic was the state office that showed the largest increase in its budget. The analysis indicates that the Presidency tripled the appropriations approved by Congress.

According to the CIEN analysis, the reason for the increase is the that the Presidency enhanced its budget with the many transfers received.

The largest increment was reported under operating expenses, with a reduction of up to 3 million quetzales in investments.

Operating expenses were reduced for personal services and current transfers; but, on the other hand, overall appropriations increased by 1,743 percent, rising from 3.8 to 70.4 million quetzales.

The analysis states that this increase reinforced the rather indefinite items of miscellaneous expenses and other expenses. For example, miscellaneous expenses received 44.5 million quetzales, while 22.3 million quetzales were allocated to the account for other expenses.

Hence, according to the analysis, it is impressive that such indefinite items should have 47 percent of the total budget for the Presidency assigned to them, while overall appropriations consume 97 percent of the Presidency of the Republic's investment budget.

In its analysis the CIEN group recommends to the Congress of the Republic that it achieve better control over budgetary transfers in order to prevent drastic differences between what has been budgeted and what is finally executed.

* Poverty, Prices Show Alarming Growth

* 86 Percent in Poverty

32480218 Guatemala City EL GRAFICO in Spanish 14 Jul 89 p 3

[Text] Guatemala City, 14 July—The San Carlos University of Guatemala's Union of Educational and Research Workers (Sindinusac) has charged that 3 and ½ years after Guatemalan Christian Democracy's (DCG) takeover of political power, the people have found their expectations for living conditions thwarted and poverty increased.

This organization also points out that, "The middle classes of Guatemalan society have become precipitously impoverished," and has published data quite clearly attesting to the process of deterioration in living conditions and its acceleration.

Between 1980 and 1989 the Consumer Price Index (CPI) rose 119 percent, and from January 1988 to May 1989 alone there was an increase of about 31.6 percent in the inflation rate. This brought about a decline in the income of the working class, which has lost its purchasing power.

With a 1980 quetzal one can currently purchase only the equivalent of 40 centavos. Another indicator underscoring the workers' difficult situation is the minimum wage, which is now 4.50 quetzales in agriculture, 5.00 quetzales in mining, 5.50 quetzales in industry, 11.33 quetzales in construction, 7.04 quetzales in commerce, 8.50 quetzales in transportation, and 5.83 quetzales in services.

Sindinusac stresses that minimum wages have risen since 1980, but only slightly. For example, in agriculture and industry the minimum wage increased by 1.30 and 1.50 quetzales, respectively. These represent increments of about 40 percent, a proportion that cannot be compared with the price hikes, which totaled 119 percent. Thus has poverty been generated.

As a result, a serious deterioration has occurred in the living conditions of the nation's majority sectors, reflected in the spread of poverty which stood at approximately 63 percent in 1981 and is currently 86.3 percent.

This shows that the Guatemalan people have increasingly less access to, and more deficits in their food, education, health, housing, and other basic necessities; whereas the revenue accrued by the state is being used to pay the foreign debt service.

Sindinusac notes that, during 1987 alone, the sum of $436 million was paid for this item, equivalent to 1.117 billion quetzales. Relatively speaking, it represented 36.1 percent of the gross domestic product (GDP) and 48.5 percent of exports.

Moreover, the organization emphasizes that the recurrence of poverty and the factors causing it justify teachers, public servants, workers, peasants, and the people in general undertaking movements aimed at improving their income.

"In view of this situation, the argument of the government and of business owners to the effect that any wage increase is inflationary lacks validity because experience has proven that the inflationary process has undergone constant rises without any wage increases necessarily given.

"The current incidents constitute the people's reaction toward the desperation to which hunger has driven them. And the government has not only appeared indifferent to the people's outcry, but has also tended to suppress their demonstrations."

* Inflation Affects Wages

32480218 Guatemala City EL GRAFICO in Spanish 22 Jul 89 p 10

[Text] Guatemala City (ACENSIAG)—The extreme poverty besetting over 50 percent of Guatemalans is reflected in the fact that, whereas wages have increased by a proportion of 1 percent, prices have risen 3 percent.

A publication of the Institute of Economic and Social Research (IIES) has disclosed the foregoing, noting that income of 18 quetzales ($6.66) per day is necessary for minimal subsistence, whereas minimum wages in Guatemala seldom exceed 6 quetzales ($2.22) per day.

Nevertheless, these figures relate to the time when there was parity between the dollar and the quetzal; in other words, the wage-price crisis has become exacerbated since the establishment of the 2.70 quetzales per dollar exchange rate.

The institution, part of San Carlos University's (Usac) School of Economics, shows in its research that by 1987 the minimum cost of living amounted to 485 quetzales ($179) per month, whereas by the middle of this year that amount had increased by 60.62 quetzales.

During the first 5 months of the year alone, Guatemalans faced a rise in inflation estimated at 20.2 percent which, when accumulated and reflected in the consumer price index (CPI), amounted to 252.1 compared with the 1980 figure.

Nicaragua

Human Rights Official on Meeting With Carter

PA1909023089 Managua Radio Corporacion in Spanish 2300 GMT 18 Sep 89

[Interview with Dr Lino Hernandez Trigueros, executive secretary of the Permanent Committee for the Defense of Human Rights, by unidentified reporter on 18 September in Managua—recorded]

[Text] [Hernandez] We held a 2-hour meeting with former U.S. President Jimmy Carter, who paid an official visit to the Permanent Committee for the Defense of Human Rights [CPDH] as part of his Nicaraguan tour. We discussed various issues and presented Mr Carter a special report that was especially prepared for him. This report includes basic human rights violations within the electoral process.

Specifically, we discussed the recruitment of youths despite a pact or accord between the government and opposition that there would be no more recruitment. We discussed the problem of the Miskito Indians, and specifically the human rights violations and offenses against the dignity of Steadman Fagoth and Brooklyn Rivera. We are asking that the Interior Ministry allow them to return to the country.

We also touched on the media law and on the government and Sandinist party's abuses of this law by monopolizing the use of television for the party. We discussed the terror imposed in certain peasant communities where the Sandinist National Liberation Front is more popular, especially in Chontales, Matagalpa, and Jinotega. Finally, we discussed the repression of opposition political parties and the harassment of people working in ministries and supposedly autonomous institutions. They are being pressured not to get involved in opposition political parties and not to participate in opposition activities or demonstrations.

Mr Carter showed great interest. He was accompanied by a representative of President Carlos Andres Perez of Venezuela, who showed interest in the case of a prisoner named (Reynaldo Guada Montealegre), whose life is in danger. He promised to visit this prisoner during his next visit to Nicaragua.

Mr Carter also showed interest in the extrajudicial deaths of peasants perpetrated by State Security, which have been denounced by Amnesty International and Americas Watch.

In sum, that is what we discussed during our meeting. It was a very open meeting. We also briefed Carter on the situation of education in Nicaragua. We showed him books that demonstrate how the minds of our children are being conditioned through study plans. Education is totally slanted in favor of the Sandinist party. Besides being sectarian, it is also violent. It promotes violence.

[Reporter] Dr Hernandez, you will be traveling to the headquarters of the International Human Rights Commission in the next few days. What will you be doing in the United States?

[Hernandez] As a matter of fact, a CPDH delegation made up of CPDH President Dr Eduardo Rivas and myself will leave today. We will visit the Inter-American Human Rights Commission that will hold a plenary meeting this week in Washington.

We will specifically report on the problems being faced and the harassment to which the former Somozist guardsmen are subjected after they are released. We will report on about 50 attacks against former guardsmen. We will present specific cases. They are being subjected to pressure, harassment, and persecution, and have received threats on their lives by state security members.

We will also discuss the issue of former guardsmen, who are still prisoners, whose release was requested by the Inter-American Human Rights Committee since April last year, as well as by Americas Watch. However, the Sandinist Government has paid no attention to such requests so far.

We plan to meet with Joan Higgins, chief of the Deportations and Detentions Division of the U.S. Immigration Service, to express the CPDH's concern over the deportation of some Nicaraguan citizens who upon returning to Nicaragua are subjected to state security persecution. We believe that this should not continue. Many U.S. people believe that everyone is leaving because of the economic situation. However, we will present specific evidence to the contrary to ensure that such deportations are ended, because they jeopardize the physical safety and freedom of deported individuals.

Paper Says NED 'Cannot' Finance UNO Campaign

PA1709041989 Managua BARRICADA in Spanish 16 Sep 89 p 3

[Article by Gioconda Belli]

[Text] Perhaps very few U.S. citizens are aware of how the Reagan era and his stubborn plans to eliminate the alleged threat to their interests represented by the Nicaraguan revolution have actually brought out in the open how fragile their society's ethical values are.

Actions that are immoral and violate international law and the ethics that should prevail among nations have been ignored before the very eyes of the people. With just one stroke of the pen, the Reagan administration ignored the ruling of the International Court of Justice at The Hague, and it continued discussions on financing the counterrevolution to the point that it watered down before the people the immoral contents of that interventionist policy.

Now, in the face of the elections and of what the new Bush administration considers advisable, U.S. ethics are again being questioned: A 1985 federal law establishes that the National Endowment for Democracy [preceding three words in English] [NED]—the organization through which there are plans to channel financing to support the Nicaraguan opposition in the forthcoming elections—cannot use its funds, directly or indirectly, to finance the political campaigns of candidates running for public office.

This provision, in fact, makes it illegal—according to U.S. law—to channel NED funds for the presidential campaigns of UNO [National Opposition Union] or any other political organization. However, the Bush administration political officers are talking about the possibility of requesting Congress to amend the law or issue a special decree making an exception possible.

We could say that we are, in fact, confronted by a new case in which the U.S. powers will have to violate—as it has done in the past—its own laws and intervene in the political affairs of another country, showing once again how fickle "democratic ethics" can be.

Obviously, the vision the U.S. Administration has of its role to support the opposition in the forthcoming elections stems from its own and intimate conviction of the intrinsic weakness of the opposition in Nicaragua. The United States not only had to finance the war for the contras and their "flamboyant" commanders comfortably sitting in Miami, but now it feels that if it does not pave with dollars the path to "democracy" through elections, UNO will not know how to get anywhere.

It is paradoxical and unfortunate that U.S. politicians are so nearsighted that they do not recognize that the only possibility the opposition has for playing a somewhat constructive role within the multiparty regime in Nicaragua is if they stop playing the role of being the "eternal sponsors." Although U.S. support is the only thing that allows UNO to project itself as an electoral force, it continues being a group of name parties, without any specific influence in the political reality of Nicaragua. Since the time of [turn of the century president] Zelaya, that same sponsor is what has prevented national political alternatives from developing throughout the course of history. That is also what is distorting the reality now, by allowing those minute parties without any popular support to think they are powerful and capable, although they do not offer any true alternative for the people. That is quite obvious when we analyze the ambiguous and weak platform proposed by UNO and the choice of a candidate who has been selected, not for her qualifications, but because of the type of "image" that can be sold to the television networks.

As with the contras, the United States is once again falling into a trap, a "Catch-22" [preceding word in English], as they call it. If they abandon UNO, it will become evident that "UNO is nothing." If they support it and do not force the Nicaraguan opposition, for the first time in history, to leave its comfortable chairs, its necklaces and high-heels, its air conditoners and news conferences, to go out and earn popularity in the streets, as only the Sandinist Front knows how to do in this country, then, they will have to continue to get support from Washington, through the taxes of their citizens, the mirage of an opposition that has no roots, that exists only when a magician pulls a rabbit out of his circus top hat.

U.S. Congress Objects To Financing NED

PA1809174089 Managua Radio Sandino in Spanish 1200 GMT 18 Sep 89

[Station commentary]

[Text] The objection of the U.S. Congress to having the National Endowment for Democracy, NED, finance the UNO [National Opposition Union] campaign with $6 million is a blow to that ultraright-wing alliance and also for the White House.

The NED is a U.S. Congress organization that finances projects in various countries. The congressmen believe that if the NED becomes directly involved in supporting the UNO, it will lose credibility and face difficulties in doing its work abroad.

It is the first time that Congress has confronted President Bush, since the bipartisan agreement signed in April, which granted over $60 million in humanitarian aid to the contras. Some sectors of Congress feel that the United States should promote clean elections in Nicaragua.

Some Republicans, such as Senator Jesse Helms, even want to suspend all aid to the opposition within the framework of the current election process. Private organizations may replace the NED in financing the right wing's election propaganda if Jesse Helm's proposal fails. [as heard] Among these private organizations are the Foundation for the Development of America and (Telsin International), which in the past channeled funds to the parties in the Ramiro Sacasa Guerrero Democratic Coordinating Board and to the LA PRENSA newspaper. (Telsin) donated more than $500,000 to the rightwing newspaper, and also sent resources to private radio stations for antigovernment propaganda. (Telsin) was part of Colonel Oliver North's network of covert aid to the armed contras, and could be used as a private channel to elude the U.S. Congress' decision.

The Freedom House and the Center for International Private Enterprise could also be selected to replace the NED in subsidizing the opposition. These groups actively participated in Reagan's war against Nicaragua by diverting funds and setting up publicity campaigns against the FSLN [Sandinist National Liberation Front].

At any rate, all aid to the parties is subject to electoral law and must be distributed through open channels. Half of the funds sent must go to the Supreme Electoral Council. If not, the United States will be chiefly responsible for boycotting the February elections, and will establish a very damaging precedent in the strengthening of democracies in Central America.

Parties Urged To End Dependence on U.S.

PA1609223289 Panama City ACAN in Spanish 1520 GMT 13 Sep 89

[Text] San Jose, 13 Sep (ACAN-EFE)—Nicaraguan Deputy Foreign Minister Jose Leon Talavera said today that the Nicaraguan Government asked the country's opposition parties to break their "dependence" on the United States to end the United States' "interference" in Nicaragua's internal affairs.

"We want the United States to stop interfering in our country," Talavera said, and added that currently "no one gives a peso for the contras," the armed Nicaraguan resistance on which the Washington spent "more than $3 billion."

Jose Leon Talavera is in Costa Rica, leading the Nicaraguan Government delegation that is currently participating in meetings with Costa Rican authorities to analyze border security and immigration issues and antidrug operations.

During a meeting with the press, the diplomat said that the U.S. Senate is studying approval of $3 million for the campaign of National Opposition Union (UNO) presidential candidate Violeta de Chamorro, which he described as "an act without precedence in Latin American history."

"We think that UNO should draw the line or it would imply that the U.S. aid sent to the counterrevolution will be shifted to the opposition parties, which are still characterized by their close ties with U.S. interests," the deputy foreign minister added.

UNO, the main opposition force that will compete with the Sandinists for power in the 25 February 1990 elections, is a 14-party alliance with tendencies that range from the extreme right to the Communist Party of Nicaragua.

Asked about the foreign support received by the FSLN, the deputy foreign minister said that "it does not include figures that run in the millions" and is simply "caps, shirts, and printed propaganda" provided by "many international political parties."

Talavera said that UNO must define its own interests and defend its political position with "independence," seeking aid from friendly parties in Latin America and Europe—so that the aid is more diversified and not just from the United States.

He warned that giving millions to "inexperienced parties," as he described the opposition parties, can provoke "acts of corruption" when handling the funds.

Talavera denied that the aid the Sandinist regime receives from the Soviet Union and Cuba will condition the FSLN's actions because, he explained, Nicaragua receives the contributions "as a state."

The official also said that his government's efforts to attain normalcy in the country through an election process "guarantees the participation of all political groups on an equal basis with the FSLN," which has ruled Nicaragua since the victory of the revolution in July 1979.

He nevertheless recognized that the FSLN has "certain organizational advantages," but that, of course, OAS and UN observers have recognized that the country's electoral law is similar to that of other Latin American nations and that it guarantees equal opportunities in the election campaign.

Talavera said that a considerable part of the war conflict was overcome when the Central American presidents agreed to demobilize the contras before 8 December, thus creating "conditions" to give full "freedom and guarantees" so that the different political parties may participate in politics and prepare for the 25 February elections.

"We do not know if the United States will play fair" and report all the economic aid given to the opposition, given the "conspiracy" that has been carried out against Nicaragua over a span of 8 years, when financial aid was given to the anti-Sandinists, the deputy foreign minister warned.

Americas Watch Representative Tours Prisons

PA1909040989 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 14 Sep 89

[Text] Americas Watch Representative Juan Mendez continues to visit Nicaraguan penitentiaries, but has still not confirmed reports by the newspaper LA PRENSA. Mendez did not hide his frustration, because he had not found any clandestine prisons or torture chambers that, according to LA PRENSA, operate in state security installations. The central state security installation in El Chipote was opened to the scrutiny of the representative of the nongovernment U.S. human rights organization, Americas Watch. Mendez is investigating reports of alleged clandestine prisons and torture chambers by LA PRENSA to discredit the revolution. He visited El Chipote prison's waiting rooms, the rooms where prisoners meet with their spouses, the women's cells, and open areas where prisoners take their exercise. The visitor saw and visited the dungeons used by the Somozist regime's sinister national security. President Daniel Ortega and Deputy Interior Minister Lenin Cerna were tortured in these dungeons. They and other Sandinists really got to know what went on in the Somozist torture centers. State Security Deputy Chief Subcommander Sylvio Casco [records list him as Deputy Chief of the General Directorate of the Sandinist Police] made the following comments about these dungeons:

[Begin Casco recording] The area is being kept for historic purposes. In these dungeons, those who dared talk about the Somozist regime—mainly the Sandinists—were tortured and repressed. We have never placed a prisoner in this area because the installation is kept just as it was when the Somozist regime used it; the conditions are not fit for humans. [end recording]

Subcommander Casco and Dr Vilma de Nunez, director of the national commission for the protection and promotion of human rights, accompanied Americas Watch Delegate Juan Mendez when he toured the prison. Mendez initiated his investigation in Puerto Cabezas, where he did not find either a clandestine prison or torture chamber.

UNO Vice Presidential Candidate Interviewed

PA1609173689 Paris AFP in Spanish 1628 GMT 12 Sep 89

[Report by Claudia Baca]

[Text] Managua, 11 Sep (AFP)—The opposition will "sweep" away Sandinism in the February 1990 elections with the votes of peasants and women who make up the majority, Virgilio Godoy, the Nicaraguan vice presidential candidate for the National Opposition Union [UNO], said today.

"The UNO will not lose," Godoy said during an interview with AFP, denying all possibility of an electoral defeat before the Sandinist National Liberation Front [FSLN] which has been in power for the past 10 years.

"If things go wrong, we could have a two-to-one vote in our favor. However, our purpose is to get a three-to-one margin," the 55-year-old opposition politician, president of the Independent Liberal Party [PLI] said.

Godoy has no doubts the UNO will benefit from the nomination of Violeta Barrios de Chamorro as the presidential candidate because she will draw the women's vote and expects to get the support of peasants, "most of whom are anti-Sandinists."

Contrary to the opinion of some local political sectors, the vice presidential candidate believes that his running mate—owner of the daily LA PRENSA and widow of journalist Pedro Joaquin Chamorro whose assassination by Somozist gunmen in 1978 triggered the triumph of the Sandinist Revolution—has attributes to carry out the electoral campaign and to efficiently rule the country.

Chamorro's widow—who began her campaign on 10 September with a speech that was more maternal than political, appealing for the reunification of the "Nicaraguan family,"—represents for many voters a symbol of the civilian anti-Sandinist struggle. However, many are discussing her capacity to take over the highest political role.

Although Godoy admits there are "many discussions" in this regard, he believes that this is due to "biased opinions" by those who are against the nomination of Violeta Barrios de Chamorro. Godoy defined her as "a woman of impressive unpretentiousness and very sharp."

"It can be said that her speeches are not very sophisticated, however, she gets to the point on key issues in a language that anyone can understand," Godoy said. He pointed out that her nomination will draw the women's vote (60 percent of the country's population) which will play "a decisive role" in the elections.

The Liberal leader estimated that the increasing women's participation in politics will be one of the decisive aspects in the upcoming elections.

Godoy, who is also a controversial character in Nicaraguan politics, was labor minister (1979-84) and has a reputation among the local press of being "haughty and arrogant," as he himself admitted. However, he defended himself, arguing that this is all due to his refusal to grant interviews.

"I cannot subject myself to the preference of a journalist simply because you are very powerful anywhere in the world," the UNO vice presidential candidate maintained.

Godoy, who holds a doctoral degree in sociology, headed the PLI for over a decade is currently the vice president of the Progressive Liberal International [Liberal Internacional Progresista].

Since he moved away from the government in 1984, he became one of its most staunchest critics, representing the Nicaraguan opposition at various international forums.

However, those who decry him in the opposition credit him with a "high share of responsibility" in drafting an "anti-entrepreneurial," strategy implemented by the Sandinist regime since the first years of the revolution.

Godoy's nomination as the UNO vice presidential candidate at the beginning caused strong protests by the influential Higher Council of Private Enterprise (COSEP) which charged him with being a "collaborator of Sandinism." The COSEP tried in vain to prevent Godoy's nomination and together with four mermber parties of the UNO supported the nomination of business leader Enrique Bolanos.

However, the 14 UNO political parties last week finally ratified their unity and the nomination of Godoy—who feels there is no room for an electoral defeat in 1990—was secured.

Chamorro, Godoy News Conference Reported

PA1809220289 Managua LA PRENSA in Spanish 14 Sep 89 pp 1, 12

[Report by Anna Maria Ruiz on a news conference given by National Opposition Union (UNO) Presidential candidate Violeta Barrios de Chamorro and Vice Presidential candidate Virgilio Godoy at the International Press Club in Managua on 14 September]

[Text] "We are trying to perform a heroic feat.... We are fighting so that the elections will be clean, clear.... If they are we believe the opposition will inevitably win," Virgilio Godoy said this morning at the International Press Club.

Godoy accompanied Violeta Chamorro to the first news conference given by the Nicaraguan united opposition, which hosted a breakfast for the international press today.

Nicaraguan presidential candidate Violeta Chamorro described the government-run press' efforts to prevent her from using her late husband's name as "absurd" and said she is "very proud" of representing him and his struggle for Nicaragua.

Chamorro said: "It is very naive and childish to want to take away my husband's surname, the name of a family of four children. Let them ask my children if they want their surnames changed."

An AP reporter reiterated to her that the Sandinist press is insisting, in trying to take away her surname Chamorro, that "each person should stand own their own merits, and their own name."

"I am Mrs Chamorro, I am who I am, I do what my conscience tells me to," she said. She also said she is very honored to represent her husband, and if he had not died, those boys, the Sandinists, would still be in the mountains today.

Without losing her composure Mrs Chamorro demanded respect from a reporter who insisted on calling her a "symbol" and someone who is being "manipulated."

Mrs Chamorro said she is happy to be the symbol of unity, is far from being a puppet, and "we are going to win because of the contempt you have show me."

On the reporters insistence, Dona Violeta spoke about her son Carlos Fernando, director of the BARRICADA newspaper and said that he too is surprised regarding the barrage of Sandinist propaganda which is aimed at provoking a deep family rift.

"Carlos Fernando has climbed the mountaintop and has not yet descended into the valley; otherwise, he would know that the mountaintop has not delivered what it promised since this has not been a revolution for the people or the poor," she said.

She denied having quarreled with any of her own children, adding that "only last night, my son Carlos came to visit me at home."

The reporters remained silent in the completely full main room of the Press Club during the conversation with Chamorro and Virgilio Godoy.

Dr Virgilio Godoy said that UNO's [National Opposition Union] government platform could be summed up in two main issues: "To offer Nicaraguans at home and abroad national reconciliation and to reconstruct the country beginning in 1990."

Godoy clarified the agrarian reform question, which the opposition plans to put into effect, offering peasants land to own and not just to work.

A female reporter from ANN, the government news agency, told Dona Violeta that she is not considered capable of ruling and asked her what efforts would the opposition take regarding the financial aid they will be receiving from Washington for the elections and if Erick Ramirez's party is being censured at the LA PRENSA newspaper.

Mrs Chamorro replied: "In 1979, these same Marxists who are still in power asked me to participate in the government. Do you think they asked me because they thought I was incapable? That is my reply to you."

On Erick Ramirez, Mrs Chamorro said that LA PRENSA called upon all opposition parties to form a single alliance, but he chose to remain outside "because he is playing his own game, defending his own interests. He has excluded himself by choice."

Regarding a visit to Washington by a UNO delegation, Godoy said: "I believe that all the political organizations have the right to visit abroad whenever they deem it necessary. For example, very recently Daniel Ortega went to visit the fiend of Northern Africa [presumably Libyan leader Colonel Mu'ammar al-Qadhdhafi].

Godoy said that the Nicaraguan Government is interested in whatever aid the North Americans may provide because it has designed a law by means of which it gets 50 percent of all the aid alloted to the elections process.

Godoy noted: If the North Americans "provide that money, half of which the Sandinists will take, that would not commit us to do anything other than to conduct an election campaign."

A TIME magazine journalist asked Mrs Chamorro and Dr Godoy how the opposition is going to campaign in remote places of Nicaragua where the people have no access to newspapers and no money to buy radios, in places where the FSLN [Sandinist National Liberation Front] is the only political presence?

Godoy said: "The FSLN is wherever there are barracks, wherever there is a military presence, be it state security, police, or the Army, but the opposition is going to visit the most remote places of Nicaragua, as many as possible, even at the risk of having some of its members assassinated, as it happened in Chontales to three persons who were murdered last week by military elements. One of these persons had his throat cut because he was a member of UNO."

Godoy said that the election campaign will begin in December, right now it is in the preparatory phase.

Violeta Chamorro told newsmen that she will go to Miami this Sunday. She is being expected there by some 15,000 Nicaraguans who want to demonstrate their solidarity with UNO's national civic opposition.

At noon on 16 Saturday, Mrs Chamorro will receive two former presidents, Raul Alfonsin, of Argentina; and Jimmy Carter, of the United States. In the afternoon she will go to San Jose, Costa Rica, from where she will leave for Miami on 17 September.

Chamorro announced that she will return to Managua on 19 September. "I have much to do here," she said. "Later on and according to the possibilities" the opposition candidates could visit other countries of political interest, she added. "For the time being," she explained, "everything is coming out of our own pockets."

A journalist then asked if the opposition would agree with a "national reconciliation government" that would comprise opposition people as well as Sandinists, regardless of next year's February elections results.

Godoy answered by saying "the national reconciliation government concept has been misinterpreted and the opposition speaks of it in the sense of institutional conditions that would produce a new peaceful spirit of coexistence."

Godoy noted: The Sandinist National Liberation Front has been talking about a different kind of agreement and has offered the opposition 3 of the 35 cabinet ministries.

Chamorro and Godoy answered questions regarding what would have to be done to have the Sandinist Army disarm itself following the elections. The two argued that most of the people in arms are young people who want an education and to live in peace.

Mrs Chamorro said: "Maybe the big ones will decide that they do not want to be disarmed, but the young ones will get out of the Army as soon as there is a climate of peace."

Godoy said there are two obvious facts: Nicaragua cannot tolerate such a large army, and the Ortega brothers have committed themselves to Nicaragua's demilitarization.

Chamorro said that when her children were young and they had to go to Costa Rica to flee the Somozist repression, they were happy not to see people on the streets with rifles. She said: "Imagine how happy the children of Nicaragua will be once there are no arms anywhere."

The government news agency reporter asked again if the arms were not for the purpose of defending national sovereignty.

"Those are just slogans," Mrs Chamorro said, while Dr Godoy asked: "What sovereignty are we talking about in an occupied country?"

The reporter added: We are enduring a U.S. aggression. Godoy replied: "Yes, and also Cuban and Angolan." Godoy said that until 1983 there were 7,000 Cuban soldiers in Nicaragua with Sandinist permission, and there are still Cuban occupation troops in Nicaragua, he added.

"So what is sovereignty? The word sounds like a lie," Godoy said.

Godoy said that the Sandinist Army was not created to defend Nicaragua's sovereignty, but as a "tool for political control over the population."

Godoy recalled that the executed Cuban General Arnaldo Ochoa was the commander of the Cuban troops who invaded Nicaragua.

The government's reporter asked if the FSLN could lose the elections after having defeated the contras and having won a victory at the International Court of Justice at The Hague.

Godoy said: "The government journalists have a tendency to get everything confused." He recalled that General Ortega admitted in Sapoa that the Sandinists could not defeat the contras, and the contras admitted that they could not defeat the Sandinists. Therefore, it is a tie, he said. Godoy said that The Hague ruling was definitely a legal victory over the North Americans, a victory that had to do with the mining of ports but not with the contras.

Godoy rejected the Sandinist claim that there is pluralism thanks to them. He recalled that a broadly pluralist UNO has existed on three previous occasions, in 1959, 1965, and now.

Godoy talked about the Standford Commission plan and the cooperation among the EEC countries to revive Nicaragua's economy, although he denied that the economic problem was the basic one in the country.

"The Marxists made a mistake here. They implemented the Marxist theory upside down and now they are going to have to turn it around," he said, adding that the Nicaraguan foreign debt grew from $1.3 million to $13 billion under the Sandinist administration.

Godoy and Mrs Violeta said they knew the Sandinists were going from house to house to pressure voters in their favor. Chamorro denounced the lack of independent television stations in Nicaragua. Godoy and Chamorra said that elections "were also won with television stations, with enthusiasm, with foot work, with radios, with anything we can use." They said they did not fear the Sandinist house to house campaign. Godoy added: "The Sandinists have gone house to house during all these last 10 years, with death, destruction, war, and hunger in tow."

CSE Issues Communique on Election Regulations

PA1609140489 Managua Radio Corporacion in Spanish 1200 GMT 13 Sep 89

[Communique issued by the Supreme Electoral Council in Managua on 11 September]

[Text] After having learned about alleged violations of the electoral law, the Supreme Electoral Council [CSE] informs citizens and the general public that:
1. There will be regional CSE offices to receive all reports and complaints regarding alleged violations of the electoral law or irregularities during the development of the election process.
2. Any political party, alliance, or popular association can present their reports or complaints through their legal representatives or through their delegates before the regional CSE's. In addition, any citizen who feels he has been harmed by violations of the electoral law, of norms regulating electoral ethics, or of regulations set up by the CSE or regional CSE offices, can present his or her complaints and reports.
3. The CSE considers it extremely important that the election process guarantees the free participation of all citizens, political parties, alliances, and popular associations without obstacles or any kind of interference.
4. To fulfill the above points, it is necessary to have the cooperation of the country's authorities and of all those officials involved in the current election process.
5. We urge all citizens, the general public, political leaders, and political parties' members and activists to strictly comply with the election ethic norms.

Managua, 11 September 1989
Signed: Rosa Marina Zelaya Velazquez, CSE secretary

Social Christian Party Registers Candidates

PA1609221889 Panama City ACAN in Spanish 2331 GMT 12 Sep 89

[Text] Managua, 12 Sep (ACAN-EFE)—Nicaragua's opposition Social Christian Party (PSC) today became the fifth party to register presidential candidates for the 25 February elections.

The candidates registered at the Supreme Electoral Council (CSE) are Social Christians Erick Ramirez Benavente, a business administrator, 42, for the Presidency, and Rina Cordoba de Taboada, 43, a microbiologist and Cardinal Miguel Obando y Bravo aide, for the vice presidency.

The first party to register its candidates on 28 August was the Trotskyist Revolutionary Workers Party (PRT), the presidential candidate of which is Bonifacio Miranda Bengoechea, 32, an economist with 13 years of anti-Somozist struggle.

The PRT was founded on 23 August 1984 and attained legal status in October of the same year.

Miranda's companion on the PRT ticket is gastroenterologist Juan Carlos Leyton, 34, a graduate of an FRG university, who has been characterized as a leader of hospital workers.

Another party that has also registered its candidates with the CSE is the Democratic Conservative Party (PCD), the leading opposition political force in the Nicaraguan National Assembly.

Eduardo Molina Palacios, 35, an attorney, deputy, and merchant, is the PCD's presidential candidate, and Milton Robleto, 30, a business administrator, has been designated the vice presidential candidate.

On 1 September, the Central American Unionist Party (PUCA), which gained legal status in 1984, registered journalist Blanca Rojas, 54, as its presidential candidate. Between 1954 and 1979 Rojas was arrested on four occasions because of her anti-Somozist struggles.

PUCA also registered attorney Daniel Urcuyo Castillo, 37, as vice presidential candidate. Urcuyo is an adviser for the Anglican and Moravian churches on Nicaragua's Atlantic coast.

Moises Hassan Morales, a former member of the National Reconstruction Board after the Sandinist victory in 1979, was also registered with the CSE as the presidential candidate for the leftwing "Movement of Revolutionary Unity" (MUR).

Hassan Morales, 47, who played an outstanding role in the urban armed struggle, which culminated with the toppling of the Somozist dictatorship, distanced himself from the Sandinist government because he was "disillusioned" with the revolutionary regime's administration.

Hassan, who has a doctorate in physics and mathematics, currently works independently in directing civil engineering projects.

His running mate is Francisco Samper, 32, an economist and current MUR administrator.

The Independent Liberal Party of National Unity (PLIUN) and the Marxist-Leninist Popular Action Party (MAP-ML) also chose their presidential and vice presidential candidates, but have not yet registered them.

The same is true of the National Opposition Union (UNO), the main opposition bloc, which selected Violeta Chamorro, director of Managua's LA PRENSA as its presidential candidate and Virgilio Godoy as its vice presidential candidate, but has not yet registered them with the Electoral Tribunal.

Extreme-Left Parties Not To Form Coalition

PA1609043589 Managua Sistema Sandinista Television in Spanish 0200 GMT 13 Sep 89

[Text] The extreme-left parties—The PRT [Revolutionary Workers' Party], MUR [Movement of Revolutionary Unity], and the Marxist-Leninist People's Action

Movement [MAP-ML] today discarded any possibility of forming a coalition to participate in the coming elections. The three parties accused each other of intransigence. Isidro Tellez of the MAP-ML and Bonifacio Miranda of the PRT said they could find no common ground in their programs, although both claimed to be Marxist-Leninist.

Defense Minister Pleased With Salvadoran Accord

PA1709220589 Hamburg DPA in Spanish 1936 GMT 17 Sep 89

[Text] Mexico City, 17 Sep (DPA)—Nicaraguan Defense Minister General Humberto Ortega today praised the agreements reached in Mexico City this week between the Salvadoran leftist rebels and President Alfredo Cristiani's rightist government. Gen Ortega described the agreements as "a mature and responsible step."

Ortega, who is in Mexico City on a formal visit on the occasion of Mexico's independence day, said that "no one will be the absolute winner" in the Salvadoran civil war.

Ortega expressed his hopes that both parties will negotiate peace for El Salvador since the war has been going on for the past 10 years and has already cost the lives of more than 70,000 people.

On Friday, the FMLN leadership and representatives of the Salvadoran Government reportedly agreed to hold monthly meetings with an agenda that will include specific issues designed to achieve a definite end to the civil war and democratization of that Central American country.

The Nicaraguan defense minister, brother of Nicaraguan President Daniel Ortega, denied that Nicaragua had given, or is giving, military aid to the Salvadoran rebels.

Ortega said that the mission of the Group of UN Observers to Central America, ONUCA, who are responsible for supervising the situation along Nicaragua's borders with Honduras, Costa Rica, and El Salvador, "is an inappropriate mission" because Managua is not giving any kind of support to the Salvadoran Farabundo Marti National Liberation Front (FMLN).

Ortega added that the United States has not been able to present proof concerning the alleged trafficking of weapons from Nicaragua to El Salvador through the Gulf of Fonseca that separates the two countries "even though it has ships with sophisticated tracking equipment anchored in the area."

Comments on Tela Agreements

PA1709220889 Paris AFP in Spanish 2005 GMT 17 Sep 89

[Text] Mexico City, 17 Sep (AFP)—Nicaraguan Defense Minister General Humberto Ortega today in Mexico City said that the Tela agreements, particularly the demobilization of the Nicaraguan contras, "are a way for the Bush administration to prove that it can act more intelligently than (Former President) Ronald Reagan did."

During a news conference, Ortega—who is in Mexico City as a guest at events marking the 179th anniversary of Mexico's independence—said that "it is not necessary for Washington to support the agreements" signed in August. "Refraining from meddling would be enough," Ortega added.

Ortega talked about the procedures being followed to achieve the demobilization that should be completed by 7 December. Defense Minister Ortega also said that anyone who wishes can participate in the upcoming February elections and that "laying down their weapons" is the only prerequisite.

"If the Sandinist National Liberation Front resisted these 10 years of brutal aggression and if, despite this aggression, the people refused to be dominated, then we believe they will back us in the elections, because these elections will complete the process of national pacification, and with peace at last, we will be able to achieve greater economic well being," Ortega concluded.

Contra Leader Robelo Holds News Conference

PA1809023889 Managua LA PRENSA in Spanish 16 Sep 89 pp 1, 12

[Article by Julio Cesar Armas]

[Text] "We are going to sweep them aside.... I am absolutely sure that we are going to sweep them aside because Nicaraguans are intelligent people and all they have to do is open their eyes to see what is going on. The people know that inside the private voting booth they can cast their vote and get rid of those who are responsible for the current state of things.

"We are not only going to win the elections. We are going to sweep the Sandinists aside."

With these words, repeated again and again like a war cry, Alfonso Robelo held a news conference shortly after his return to Nicaragua from Costa Rica.

With the charisma that has made him a leader, and full of enthusiasm and optimism, Robelo said that this was a very moving day for him. "I feel thrilled and moved to be back in my homeland. I have come back after 7 years and 6 months. I left Nicaragua on 23 March 1981 when the 'state of emergency' was declared," Robelo said.

"I have come as just another citizen—a Nicaraguan who continues to fight for Nicaragua to live in peace and democracy. The fact that I am involved in a struggle for a democratic process that will allow the Nicaraguan people to develop and work in peace, encourages me to work just like any other soldier within the Nicaraguan Democratic Movement (MDN) and as such within the Nicaraguan Opposition Union (UNO). That is all I aspire to and all that I have worked for. I aspire and work to take Nicaragua along the path of democracy," Robelo added.

Alfonso Robelo continued to say: "I have not returned to seek a position or to compete with anyone. I support the UNO candidates who were democratically chosen. Violeta Chamorro and Virgilio Godoy are both great candidates. They make up a great ticket, a winning ticket. They assure us that we are heading toward real democracy."

"I have come to work with them; I have not returned to displace or trip anyone. I have come back to work at whatever I am asked to do. I will give it all I have and will do so enthusiastically, like one more soldier. I am happy confronting the challenge for democracy, to help Nicaragua overcome the situation it is confronting. Led by Violeta and Virgilio we can advance in a civic manner," Robelo concluded.

Robelo then proceeded to answer questions asked by reporters. "We know that we cannot allow ourselves to be fooled by the Sandinists. The 1979 government of national reconstruction plan was a trick. We denounced it and I withdrew from the government junta to continue denouncing it. Now talks are being held and agreements, like the Esquipulas agreement, are being reached. I believe that the Sandinists can no longer continue to fool the world. I would like to give the Sandinists the benefit of the doubt, but we must be very clear about this," Robelo added.

"If they try to trick us again, we are going to fight, we are going to present charges, and we are going to demand our rights with all the civic strength that the laws give us. The international community has its eyes on Nicaragua and the Sandinist's past history of tricks is known to everyone," Robelo said.

Robelo continued: "I spent my years of exile in Costa Rica, an exemplary nation. I would like to see Nicaragua become a second Costa Rica. The democratic processes that have been taking place in Central America make us recognize that we cannot be an exception...that Nicaragua must also have its democracy. It is not like some people abroad think, that we are beyond salvation and involved in constant struggle."

"That is not true because we do have a democratic nature. God willing this will be proven on 25 February. Let us learn from our neighbors. Today I passed near Nandaime and I recalled the blocking of the roads and the brutal repression unleashed by the Sandinist government," Robelo recalled.

"Now," Robelo continued, "from within UNO, the MDN is going to ask for a Nandaime [in reference to opposition rallies held in Nandaime] that was not possible in the past. Nandaime has become the banner for civic struggle. With its two well-known incidents—in 1981 and 1988—Nandaime showed the world the militarism and domination that the Sandinist government wishes to impose. Another Nandaime will be held...and all the Nicaraguan people will be present."

Concerning the demobilization of the contras, Robelo said that it is only a part of a complete plan and that the whole plan must be carried out. In response to a question concerning the U.S. economic blockade, Robelo said that he had found "a great contradiction among the Sandinists because they curse imperialism, yet they want to have good relations with the United States."

Robelo criticized Ortega speeches because he is still talking in the past, he is still talking about Former President Reagan. Concerning new investments in Nicaragua Robelo said that "the members of the Sandinist government are the current millionaires in Nicaragua."

2 Soldiers Reportedly Killed in Contra Attack

PA1609032989 Managua Radio Sandino in Spanish 1930 GMT 11 Sep 89

["Bulletin" issued by Defense Ministry in Managua on 11 September]

[Text] 1. Counterrevolutionaries have attacked EPS [Sandinist People's Army] troops. On 9 September, counterrevolutionary groups attacked our troops in La Canada, northwest of Puerto Morrito, Rio San Juan Department. As a result, two comrades were killed and one was wounded. The names of the comrades who were killed are: Andres Ramon Vanegas and Santos Luis Tellez Mayorga. The name of the wounded comrade is Arnoldo Roque Matamoros.

2. Terrorist actions against the civilian population and economic targets: On 9 September, mercenary groups kidnapped peasant Francisca Sanchez and stole 60 head of cattle in Centro Semana Santa, located northwest of Rama, Southern Atlantic Autonomous Region.

Signed in Managua, 11 September 1989
Public Relations Directorate of the Defense Ministry

FRG Government To Renew Financial Cooperation

PA1609165489 Managua BARRICADA in Spanish 13 Sep 89 p 5

[Text] Bonn—After the February 1990 elections, the West German Government will renew the financial cooperation to Nicaragua that was interrupted in 1983, Helmut Schaefer, minister of state in the Ministry for Foreign Affairs, has announced in an official communique.

Schaeffer, who received Alejandro Martinez Cuenca, Nicaraguan minister of the Secretariat of Planning and Budget, emphasized that the FRG is also willing to contribute "to the protection of the Central American peace process in the economic and social fields."

New Aqueducts, Sewage Minister Appointed

PA1609192389 Managua LA PRENSA in Spanish 6 Sep 89 p 4

[Summary] Vice President Sergio Ramirez Mercado announced on 5 September that Major Enrique Sanchez has been officially appointed minister of the Nicaraguan Aqueducts and Sewage Institute (INAA).

Sanchez, a former official of the Nicaraguan Telecommunications and Postal Services Institute, TELCOR, will replace Ottoniel Arguello, who has been appointed to a "diplomatic post in a South American country."

Panama

Ozores Interviewed on U.S. 'Offensive'

PA1909024589 Havana International Service in Spanish 0000 GMT 13 Sep 89

["Exclusive" interview with Provisional Vice President Carlos Ozores Typaldos by Nelson Notario Castro at the Palace of the Herons in Panama City; date not given—recorded]

[Text] [Notario] In your opinion, what is the state of the U.S. offensive against Panama following the installation of the new government? Is it succeeding? Has it been weakened? Do you think it will be intensified?

[Ozores] I do not want to anticipate what other measures the U.S. Government can adopt. I think that the measures which it has announced, just as those which have been implemented for about 1 and ½ years, are difficult. I do want to make it clear, however, that no type of measure will vary our position regarding certain elements which are strictly Panama's domestic policy. Despite pressures and interventions, we will not give in, because then we would have to ask why we have been resisting them for almost 2 years. I think we must take this to the final conclusion. However, we always hope that reason will prevail and that someday the United States will understand that they have joint interests with us here in Panama, which merit at least a relationship of respect, rather than antagonism. We are always open to dialogue and to negotiation in the hope of being able to live peacefully, as we had been doing until the crisis began.

[Notario] Thank you very much for your words, Dr Ozores Typaldos.

Official on Threat To Bar Ships From U.S.

PA1709180889 Panama City Cadena Exitosa in Spanish 2200 GMT 16 Sep 89

[Text] Dr Hugo Torrijos Richa, director of the General Consular and Ships Directorate [SECNAVES] of the Finance Ministry, has said that over the last 10 years, Panamanian-flagged ships moved from seventh to second place in the number of ships in the world's merchant navy, and could take Liberia's number one position before the end of 1989. Threatening this position—which produces $100 million for Panama every year—is a pending U.S. threat of prohibiting Panamanian-flag vessels from docking in U.S. ports, this as a part of the sanctions aimed at forcing the resignation of military leader General Manuel Antonio Noriega.

More than 12,000 ships sail the seas under the Panamanian flag, with a total displacement of 65 million tons, Hugo Torrijos said. Torrijos defends the open registry system, despite some criticism by international organizations, as he himself admits. Panama's open registry system dates back to 1915, but it was not until 1983 that a special open tax system was created, converting the country into a tax haven, and expanding the Panamanian Merchant Navy by some 1,000 ships each year.

The International Transport Workers Federation, as well as other international organizations, have criticized the Panamanian and Liberian systems, claiming they permit the flagging of old ships in disrepair whose owners want to shy away from labor laws. Torrijos rejects the first accusation, citing as an example that in 1988 77 percent of the ships flagged were new or were less than 4-years old. He added that since 1980, Panama's Merchant Navy has maintaned its growth despite adverse conditions in international shipping and the U.S. economic blockade on Panama.

Right now, the Panama Government is trying very hard to avoid U.S. sanctions affecting ships under its registry. According to recent reports, Washington could forbid these ships from docking at U.S. ports. Up to now, the United States has not adopted this measure, but sources at the U.S. Embassy in Panama have given assurances that this option has not been ruled out and that the topic was again recently discussed.

For Panama, which for 2 years has been suffering the worst economic crisis in its history, this income is of great importance, according to Torrijos, because it represents 3 percent of the GNP and 5 percent of the central government's gross income. Flagging currently earns Panama $50 million and again the same amount enters the country's economy by indirect revenue through lawyers' fees, registration fees for marine documents, and the purchase of revenue stamps and sealed paper. Torrijos says that Panama could become the world's number one country of registry by the end of 1989 due to its extraordinary merchant marine growth. In 1924, Panama had only 14 ships under its flag, totalling 83,776 gross tons. By February 1989, there were 12,053 ships, totalling nearly 65 million tons.

During the last 10 years, Panama has flagged an average of 1,000 ships each year with about 10 million gross tons, Torrijos reported, admitting that the number of ships has dropped since 1985, although the tonnage has not. Cargo vessels and tankers accounted for 98.6 percent of the ships registered in 1988, followed by container and passenger ships. Panamanian consulates in Hong Kong and Yokohama are the ones that account for most of the new tonnage registered. Panama's special favorable laws on flagging has attracted ships from Asia—mainly China and Japan—where 70 percent of the ships fly Panama's red, blue, and white ensign.

Minister on Stopping Foreign Debt Payments

PA1909030089 Panama City Telemetro Television in Spanish 2300 GMT 18 Sep 89

[Text] Planning and Economic Welfare Minister Gustavo Gonzalez reported today that Panama made payments of $1.1 billion toward its $4 billion foreign debt between 1983 and 1988. The minister hosted a conference for top Education Ministry officials and said that the government will not make further payments on its foreign debt during the next 3 years. This measure must be taken because the country's economic situation is in a state of shock. Public finances have lost 40 percent of their resources, and the unemployment rate has increased 18 percent. The government official noted that the country has lost a decade of development and, thus, the measure is necessary to reactivate the productive sector and stabilize public finances.

Dignity Battalions on Special 'State of Alert'

PA1609032889 Panama City Televisora Nacional in Spanish 2300 GMT 14 Sep 89

[Text] The 20,000 men that make up the dignity battalions are ready to repel any armed attack by subversive groups against the government. Benjamin Colamarco, commander of those civic forces, made this statement in commenting on the resumption of military maneuvers by the U.S. Army.

[Begin recording] [Colamarco] The dignity battalions are on a state of alert. This is a special alert. The United States has been conducting maneuvers over the weekend and during the past few days. We are prepared. We are also very alert along the border areas. The Armuelles and Cholo Omar Battalions of Chiriqui Province are on alert. They are conducting patrol and reconnaissance missions to protect our territorial integrity. That is what we are doing now.

[Reporter] What is your opinion of the reports from Costa Rica on Commander David? [Colamarco] The truth is that we do not have enough facts to know where this so-called Commander David—or whatever he wants to call himself—is from. The truth is that someone is trying to recruit contras in Central America to generate activity in areas [words indistinct]. We do not believe it is anyone from Panama. We believe they are foreigners who are trying to destabilize the country.

[Reporter] Are you ready to face them?

[Colamaraco] We are prepared. We are willing to face any force that attempts to destroy this country's sovereignty and our territorial integrity. [end recording]

Commentary on Costa Rican-Based 'Disinformation'

PA1709003289 Panama City Domestic Service in Spanish 1100 GMT 13 Sep 89

[Station Commentary]

[Text] The Costa Rican Government is lending its territory for disinformation. Disinformation, psychological operations, and low-intensity warfare all make use of high-technology electronic communications for the sole purpose of destabilizing the people.

Panamanians should know and learn that covert actions and psychological operations are the most frequent forms of intervention used by the large powers, and the current U.S. Administration wins the gold medal for this. For disinformation to be successful, it is necessary to have a channel, a means of amplification, a mass communications media, and—most important of all—a territory that will serve as a base for such a channel of disinformation.

The propaganda setup of the Bush Administration has found the Costa Rican Government and territory to be the ideal base for mounting a well-organized mechanism of destabilizing echoes. Now, Costa Rican television lends their channels for presenting terrorists who threaten to sow chaos and unrest in Panamanian society.

For some time now, a powerful station broadcasting from Costa Rican soil has been spewing all the bitterness of the warmongering administration officials living today in the White House. Despite the protests and the many documents presented by our ambassador to Costa Rica that fully disclose the true plans of the terrorist groups that rant against our authorities and our revolution, the Costa Rican authorities show little interest, and are even pleased about the destabilizing actions against a nation to which they are joined by history and common borders.

We are aware of the great economic debt and the strong political control Washington has over the San Jose Government. However, the sovereignty of the people means knowing how to resist all types of pressure, and more so, if these are for attacking the stability of a neighboring people.

By allowing disinformation and destabilization against Panama from its territory, the Costa Rican Government shows the entire world that the so-called Switzerland of Central America is nothing but a myth that is today collapsing without much ado.

Opposition Calls New Government 'Unconstitutional'

PA1609190289 Panama City ACAN in Spanish 1251 GMT 15 Sep 89

[Text] Panama City, 15 Sep (ACAN-EFE)—Panama's opposition claims that the new government headed by Francisco Rodriguez is "unconstitutional" and, in its first formal statement since Rodriguez' designation on 1

September, has reiterated its support of Guillermo Endara as "president-elect."

The General State Council, of which General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, is a member, designated Rodriguez as provisional president and Carlos Ozores as vice president after the annulment of the 7 May elections, which the opposition claims to have won.

In a statement issued on 14 September, the opposition stated that the General State Council is a strictly consultative body that is not authorized to choose presidents.

The statement also "rejects" the "unconstitutional" behavior the Supreme Court displayed by swearing in the new government, and gave assurances that Guillermo Endara and Ricardo Arias "are the true and genuine president and vice president" of Panama.

"The Supreme Court," the statement points out, has attempted to gloss over a barbaric coup d'etat in order to prolong a military dictatorship which the Panamanian people have rejected."

It states that the Panamanians elected not only their presidential candidates, but their legislators, councilmen, and corregimiento representatives by an "overwhelming majority."

The statement adds that almost 300 observers from America and Europe, and others whom the "military dictatorship" itself invited to observe the elections, have attested to the opposition's "indisputable electoral victory."

The opposition's statement points out that the electoral tribunal "irresponsibly and surprisingly" annulled the elections without even rescheduling them" as it was their duty to do."

"To deliberately avoid transferring power to the ADOC [Civic Democratic Opposition Alliance]," the statement adds, "the military dictatorship has sponsored a series of abuses, arbitrary actions, and mistakes, the latest of which was perpetrated on 1 September."

Meanwhile, Ricardo Arias, president of the opposition Christian Democratic party (PDC), has dismissed the possibility of attaining power through an "armed insurrection" similar to those in Cuba and Nicaragua.

"However, that does not preclude," he added, "the emergence in our country of small groups which may attempt such actions on their own, a few violent elements...you reap what you sow."

In a speech he made in Panama City, the opposition leader also dismissed an "armed invasion" by a foreign country as a solution to the crisis.

Arias believes that the best option "for achieving democratization" is a "strategy of accumulating political pressures" on the domestic and international levels.

Church Discusses 'De Facto' Government

PA1809032189 Panama City PANORAMA CATOLICO in Spanish 17 Sep 89 pp 1, 3

[Communique issued by the "Permanent Commission of the Panamanian Episcopal Conference" in Panama City on 14 September]

[Text] 1. The Current Situation.

Once again, we, the pastors of the Panamanian Catholic congregation, fulfill our sacred and necessary duty of accompanying and guiding our people in this difficult political and social juncture.

We refer to the new situation that the nation has found itself in beginning on 1 September.

Contrary to national and international expectations, we have a de facto government that falls outside constitutional principles.

Bearing in mind that the source and reason of political power is the people, we see with sadness that the people's will, which was expressed in the last elections, has been ignored. We acknowledge with sorrow that our people's problems, far from being solved, are increasingly worsening.

In light of this situation, we see that there is an atmosphere of confusion and discouragement among our Panamanian brothers whose legitimate aspirations have been frustrated. That is why we continue to view as valid the points we mentioned when we discussed the future in our previous communique on 3 August:

—The effective exercise of civilian power;
—The elimination of external sanctions;
—The legal and actual recognition of human rights.

The only thing that would justify the action of a government that calls itself provisional would be the direct, immediate, and unconditional search for the people's will so as to return as soon as possible to a constitutional system, inviting all the representative sectors of the country's population to participate in this. Not to do so would be to condemn the Panamanian people to gradual international isolation, both politially and economically, with the well-known consequences of unemployment, hunger, ill health, poverty, etc.

2. Why do we speak?

Although for some the explanation is not necessary, we want to clearly establish the reasons for our statements on this subject:

a. Man, created in the image and likeness of God and elevated to the dignity of the son of God through the incarnation, death, and resurrection of Christ, deserves a life in accordance with such dignity. "Human dignity is an evangelical value that cannot be ignored without greatly offending the Creator." (John Paul II—Speech in Puebla 1979)

b. That is why in all human activity, of whatever kind, there is a very important ethical and evangelical dimension for the church and for all Christians. (Clear principle of faith, stated in the Gospel, sermon of the mountain and specifically Matthew 7, 21, etc; and Vatican Council II, Church and World Today, No.10)

c. The church, "teacher of humanity," must speak to promote or condemn the situations which help or degrade man's dignity. (John Paul II—speech in Puebla 1979)

d. As a product of human dignity and freedom, the church defends the people's right to self-determination, with total autonomy and independence from external and internal factors which restrict that right. (Pacem in Terris Encyclical, John XXIII, 1969, paragraphs 35-45)

e. On principle we do not accept any form of violent solution, neither internal nor external, nor of repression, nor of alleged liberation, because it perpetuates new forms of enslavement. Instead, we favor all forms of dialogue which, without excluding anyone, and with clear sincerity, seek the real causes and solutions of the crisis. (Puebla Document 531, 532)

f. Any coincidence or disagreement between the positions of the church and the government or the opposition is merely that, a coincidence. The church is not identified with any party, ideology, or form of government. (John Paul II—Speech in Puebla, 1979)

3. Christian Attitude

For Christians, this critical stage in our history is a challenge, so we can see the reality of the individual and collective sin that oppresses us, and we can assume an attitude of conversion which, based on our most intimate feelings, will lead us to change our lives and our structures, building the "civilization of love."

That is why we urge everyone to set aside selfishness, individual interests, and demagogic formulas to search for the common good.

As the people of Israel in times of exile, aggression, and even destruction, we must know for sure that "our God is a God who saves" and that "justice and right will prevail on earth."

Therefore, Christian hope must inspire our lives and our actions on earth so as to seek adequate means to build "new heavens and a new earth."

As the church, the only true church of Jesus, we are alert to the signs of the times to offer all Panamanians our words of faith, and our contribution to the reconciliation and reconstruction of the Panama that we want to build with all Panamanians of goodwill.

Once again we call for the intensification of our prayers, for new gestures of solidarity and brotherhood, and for the renewal of efforts for the new Panama we need so much.

[dated] 14 September 1989, Panama City

[signed] Jose Dimas Cedeno D., bishop of Veraguas Province, president of the CEP [Panamanian Episcopal Conference]; Marcos G. McGrath, metropolitan archbishop of Panama; Daniel E. Nunez N., bishop of David, vice president of the CEP; and Jose Luis Lacunza, auxiliary bishop of Panama, secretary general of the CEP

Businessman on 'Growing Deterioration' of Economy

PA1909014789 Panama City Telemetro Television in Spanish 2300 GMT 15 Sep 89

[Text] Businessman Alfredo Arias has warned about the growing deterioration of the national economy. He stated that we have to generate confidence in the system to confront the economic contraction we are currently experiencing, and that it is necessary to increase productivity.

[Begin recording] [Arias] I would say that the situation continues to be the same. The country's economic situation continues to deteriorate gradually, and the outlook is not very promising. Recently, LA ESTRELLA DE PANAMA published an Inter-American Development Bank report on the progress of the Panamanian economy, and we fully agree with the report. It states that an economic recovery is not feasible in the near term. Moreover, it says that employment, salaries, and general economic activity are going to fall.

The report also asserts—and we agree with this—that if the economic sanctions imposed by the United States were lifted and the political problem were resolved, it would still take a long time for the economy to recover. It is going to take a very long time, and I believe that is just the way it is. Panamanian businessmen are going to have to get used to the current economic conditions and to the increased deterioration of such conditions. They are going to have to take internal measures to improve productivity and to try to keep their companies afloat in the best possible way.

[Reporter] Engineer Arias, with regard to the economic deterioration you are referring to, what would have to be done in Panama on a priority basis in order to face this difficult situation after the political problem has been solved?

[Arias] I have always thought that the only way for an economy to recover is to have absolute confidence in the system. Namely, once an adequate political solution for the country has been reached, and all investors and domestic and foreign consumers have confidence in the system, the system slowly begins to recover. It is essential to have confidence in the system so that investors can invest in the country, new employment can be generated, and the consumers can start consuming more and thus create a larger market. [end recording]

Official Explains Efforts To Increase Trade

PA1509200189

[Editorial Report] Panama City Domestic Service in Spanish at 1645 GMT on 11 and 12 September broadcast a two-part interview with Luis Barletta, director of the Panamanian Foreign Trade Institute [IPCE], on IPCE efforts to increase Panama's economic development.

In the first part of the interview carried on 11 September, Barletta noted: "We are improving our trade treaties with Central America. We are involved in the drafting of new treaties with Caribbean countries, such as the Dominican Republic." He added that this effort means that "Panama's trade will increase by at least $10 million the first year."

Furthermore, he mentioned that similar efforts are being made to improve commercial exchange with South America, through the Latin American Integration Association [ALADI], which also includes Mexico. He noted that a partial nonreciprocal agreement was signed with Mexico, meaning that 110 Panamanian products will be sold on the Mexican market. Barletta disclosed: "On 12 September a Panamanian delegation will travel to El Salvador to try to improve the current reciprocal exchange treaty." He explained that these treaties are signed between central banks, and that as part of these efforts the Peruvian ambassador met with National Bank Manager Rafael Arosemena to activate the Panamanian trade with Peru.

Barletta also reported that a commercial agreement with Bolivia was drafted and is being studied, and that "we want to do something similar with Chile because we could conduct many transactions with that country." He concluded: "We do not only have to have trade with Europe and the socialist countries, we can do business here in Latin America so as not to depend so much on the United States.

On 12 September, the same station carried the second part of this interview in which Barletta discussed Panama's participation in a Cuban fair: "I also want to announce that, regarding the Caribbean, we will participate in Cuba's 7th International Fair in the first week of November. We will not only take the Colon Free Zone people—who have always exported to Cuba—there, we are encouraging Panama's industrial sector to participate. We are telling them to go to Cuba because there is a good market there. The Cubans purchase and pay well. It is a market with great potential."

Barletta added: "The IPCE, together with the Planning Ministry and other government agencies, are organizing a trip to CEMA countries and, possibly, to the Soviet Union." He then noted that it is very important to followup these actions and complete them. Therefore, he remarked, "these relations must be taken advantage of to their fullest extent. We must make these relations productive not only for Panama but also for the Soviets. They must be equitable and commercially attractive for both sides."

He stressed that this is what will help us develop and seek improvement for the Panamanian economy, which is what is needed at this time. We must create jobs, he noted, and added: "Exports are one of the basic mechanisms for our economic reactivation. It is a proud and patriotic solution to consolidate our national liberation in order to back the country's political liberation with economic liberation, which represents Panama's true independence; they go hand in hand."

Panama City Televisora Nacional in Spanish at 2300 GMT on 14 September carries another Barletta interview discussing the same topic. Regarding Eastern European countries ,he reported: "We need to complete a bilateral pact with Poland and we will do this in October." He again reported that several government agencies are organizing a trip to the Soviet Union. He termed this trip "very important" to follow up on the great commercial possibilities with that country. Asked about Panama's commercial relations with the Soviet Union, he said: "We are waiting for this trip. It must be made by people who are experts in commercial matters. In addition, we are waiting for an exchange in consuls to make this contact increasingly fruitful."

He closed by stating that this exchange would mostly involve Panamanian farm products for Soviet agricultural machinery and supplies to strengthen the agricultural sector.

New Customs Procedures To Price, Tax Imports

PA1609032589 Panama City Domestic Service in Spanish 1100 GMT 15 Sep 89

[Text] The Panamanian Finance and Treasury Ministry National Customs Directorate informs all Panamanian importers that in exercise of its legal powers, which authorize it to adopt all the necessary measures to improve services, the National Customs Directorate has regulated procedures to price imported merchandise. The National Customs Directorate needs the cooperation of all importers. Importers must present catalogues, contracts, price lists, and other documents that provide information on the purchase prices of the merchandise subjected to the pricing process.

The National Customs Directorate communique adds that importers who meet the requirements of this new customs regulation will facilitate the pricing process and will benefit from a more efficient system to get their merchandise out of the Customs warehouses. In addition, these importers will allow the Panamanian Treasury to collect the right amount of import taxes.

If for any reason importers fail to provide the required information, the National Customs Directorate will price and tax the merchandise with the information available to its officers.

Argentina

Deputy Speaks to Congress on Drug Prevention

PY1409161289 Buenos Aires CLARIN in Spanish 13 Sep 89 p 23

[Excerpts] Regarding the war against the drug cartels of Colombia, Jose Aramburu, national deputy and physician, has said that "illegal drug trafficking cannot exist without government complicity."

The draft law to be debated in the Senate is only a regulation with a much wider range. The law, which is going to be approved by the Chamber of Deputies today, was discussed yesterday by President Carlos Menem and representatives of the Intransigent Party bloc made up of Oscar Alende, Raul Rabanaque Caballero, and Aramburu.

Aramburu said: "The president believes that drug prevention should be carried out with the same conviction and firmness used to repress drug trafficking."

Aramburu, who is also an industrialist and agricultural producer, said that "people should not be scared" and that this problem should be faced with responsibility and "without dark or rosy expectations."

He said that "drug addiction is a drama of industrialized societies that grow as their conflicts worsen. If drug addiction affects our country, it would validate the evaluation made by Andre Malraux, who said that Buenos Aires is the capital of an empire that never came to its full realization." [passage omitted]

The hypocrisy around the cocaine issue affects Argentina also. The precursor chemicals for making cocaine, such as ether, ecetone, hydrochloric acid, and sulphuric acid, are taken to Bolivia from Argentina and Brazil in the same way they are taken to Venezuela and Colombia from the United States and Europe. Aramburu said: "We are facing a great hypocrisy because this commercial activity—as the DEA likes to call it—represents money to be laundered. Doesn't the world know that that money is laundered in the pirate banks of the Caribbean?"

Aramburu, an experienced physician, warns about medical prescriptions in terms of drug addiction. He noted that 40 percent of prescriptions are psychochemicals and that Argentina has 14,000 different types of medicine, while the United States does not have over 300.

According to Aramburu, taking drugs and alcohol at the same time can cause the sudden rabies syndrome, which can cause the body to react without any reason at all. Marijuana and cocaine, however, cause sleep and fantasies.

Aramburu also warned about inhalants, the aromatic hydrocarbons sold in newspaper stands, which he said are the first step to drug addiction in Argentina. "Small doses of drugs inside small packeges are already being sold in some places, and this is a crime," Aramburu added.

Aramburu seemed confident when he stated that "we live in a clean, unpolluted country without any indication of links between political power and drug trafficking. As Alberto Lestelle put it, Argentina is not a good country for drug cartels because they need to operate with modern communication systems, blending into the cities.

He emphasized that the destruction of the unstable balance in Colombia will lead to a crisis in Bolivia, taking into account President Jaime Paz Zamora's decision to fight the scourge. He made it clear that "coca, however, which can be produced only under specific altitude, light, temperature, and humidity conditions, has a more dangerous substitute, which is available in the Brazilian Amazon jungle [not further specified]."

He finally said: "Such a serious problem should be analyzed on the basis of sound evidence, eliminating pointless talks." Aramburu's speech was enthusiastically applauded at Congress, as no other lawmaker knows as much about drugs and drug addicts as this former surgeon, who is Oscar Alende's friend and colleague.

Renegotiation of Fishing Pact With USSR Planned

PY1809184889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1645 GMT 18 Sep 89

[Text] Buenos Aires, 18 Sep (NA)—The Argentine Government has asked the USSR to renegotiate the terms of the bilateral fishing agreement that was signed in 1986, to adjust them to the new fishing policies to be implemented by President Carlos Menem's administration.

In a news conference, Foreign Minister Domingo Cavallo explained that, if the USSR rejectes the possibility of renegotiating the terms of the original agreement, Argentina "will not extend the period of the agreement."

The Argentine position is explained in a note submitted on 15 September to the Soviet Embassy. The note confirms the intention of the Argentine Government to "continue strengthening the fruitful bilateral trade ties between the two countries."

Cavallo Comments

PY1909025489 Buenos Aires TELAM in Spanish 2231 GMT 18 Sep 89

[Text] Buenos Aires, 18 Sep (TELAM)—Foreign Minister Domingo Cavallo has reported that "a note concerning the Argentine-Soviet fishing cooperation agreement, which has been in force since 1986, was delivered to the Soviet charge d'affaires on 15 September."

Cavallo added: "In this note, the Argentine Government conveyed to the Soviet Government its desire to continue and to strengthen the fruitful trade existing between the two countries, but it noted that some aspects of the agreement—especially those pertaining to participation by the Argentine private sector—must be reconsidered."

Cavallo said: "It has been stated that in keeping with the spirit of broad cooperation that characterizes Argentine-Soviet relations, it is necessary to adjust the agreement to the guidelines for fishing formulated by the Argentine Government."

Argentina has proposed to the Soviet Government to discuss those adjustments as soon as possible through diplomatic channels and has made it clear that "if no mutually beneficial agreement is reached, this note should be considered as an official notice of the Argentine Government's decision not to extend the agreement."

The basic agreement was signed in July 1986, and it was extended for 1 year on 19 March 1989, at which time it was stipulated that any decision concerning extension of the agreement should be made known to the other party 6 months prior to its expiration date: hence, the note delivered on 15 September by the Argentine Government.

In a news conference today, Cavallo also stated that "various organizations within the Argentine fishing industry have objected to the terms of the 1986 agreement."

Cavallo noted that the fishing fee stipulated in the Argentine-USSR agreement is 3 percent, while the prevailing international rate is 15 percent. He said that "this distortion of international prices will force Argentina to reconsider what it is charging for allowing other countries to fish in its territorial sea."

The foreign minister added: "The decision to protect the Argentine fishing industry will be thoroughly discussed by an interministerial committee consisting of representatives from the Economy, Defense, and Foreign Ministries."

Cavallo added that "this action is not related to the Argentine claim of sovereignty over the Malvinas Islands," and he noted that "it will be applied to all other countries." He said that "a basic agreement will be sought with EEC member countries to protect the interests of the Argentine fishing industry."

Minister Cavallo Streamlines Foreign Service

PY1509145289 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2340 GMT 14 Sep 89

[Text] Buenos Aires, 14 Sep (NA)—Foreign Minister Domingo Cavallo today released the new internal organization of the Foreign Ministry. This reorganization essentially implies the designation of Mario Campora as foreign policy secretary and of Karim Yoma, brother of Zulema Yoma, as secretary of special affairs. Also implied are a number of changes in the Foreign Service which will allow a yearly saving of $10 million and a 20-percent reduction of all personnel abroad.

The foreign minister spoke at a news conference at San Martin Palace before presiding over the swearing-in ceremony of Yoma and of Campora, who will hold a post equivalent to that of deputy foreign minister. Cavallo denied that the supposed designation of Juan Archibaldo Lanus, who had resigned from his post, as presidential adviser with the rank of a secretary of state for foreign policy matters, will undermine current foreign policy.

Cavallo confirmed that Lanus, who resigned last Friday after much hesitation, will be proposed to the Senate as a career ambassador. He added that during the talk he and Lanus held that day with President Carlos Menem, the president offered to name Lanus head of a foundation yet to be created, among other alternatives.

The foreign minister explained that, a little over 2 months after his inauguration, he decided to make these changes to make the Foreign Service "more effective and more economical" in keeping with the need for the Foreign Ministry to adjust to the "extremely serious situation of the country and to austerity."

He pointed out that the new organization chart involves the dissolution of 2 of the 10 existing undersecretaries. Cavallo said that, in comparison with the Mexican and Brazilian Foreign Ministries, the Argentine Foreign Ministry "has less personnel." The difference is even greater when compared with other foreign services like the U.S. Foreign Service which has 10,000 diplomats and 7,000 administrative employees, Cavallo said, adding that Argentina has 762 diplomats and 644 Foreign Service administrative employees.

Cavallo announced that the foreign policy under secretariat will be dissolved and that the former foreign policy under secretary, Hector Sainz Ballester, will be appointed ambassador to Colombia because of the importance that Argentina attaches to the struggle against drug trafficking. The special relations under secretariat, which was headed by Yoma, will also be dissolved.

In his new post, Yoma will be in charge of the agreements with Italy and Spain and of the issues involving the Middle East because of "President Menem's interest in strengthening the relations with the Arab countries and in making an attempt to bring peace to the region," Cavallo said.

Campora, former secretary for multilateral and special affairs, will have under his control the technical-administrative under secretariat, headed by Rodolfo Iribarne, and the under secretariat for bilateral economic affairs, headed by Juan Carlos Sanchez Aranau. These two under secretariats were subordinate to the dissolved foreign relations secretariat.

Jorge Taiana, Foreign Ministry under secretary for special affairs and organizations, and William Otrera, Foreign Ministry under secretary for multilateral economic negotiations, will continue to be subordinate to Campora.

For their part, Jose Luis Fernandez Valoni, Foreign Ministry under secretary for Latin American relations, and Juan Schiaretti, Foreign Ministry under secretary for Latin American economic integration, will remain under the control of Raul Carignano, Foreign Ministry secretary for Latin American affairs.

Juan Zapata, Foreign Ministry under secretary for multilateral cooperation, and Juan Pezoa, Foreign Ministry under secretary for institutional relations, will continue to report directly to Cavallo. Worship Secretary Angel Centeno has also been confirmed in his post.

Air Force Chief on Possible Presidential Pardon

PY1509232789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1825 GMT 15 Sep 89

[Text] Buenos Aires, 15 Sep (NA)—Brigadier Jose Julia, the Air Force chief of staff, has compared last week's rally to protest a possible presidential pardon for officers charged with violating human rights with a soccer match. He stated that "if we make a comparison we will find that a similar number of people gather for a soccer match," although he added that a protest of this type "is perfectly acceptable" in a democracy.

Julia asserted that the idea of pardoning the officers that are being tried or who have been condemned for violating human rights "has already matured." He said that President Carlos Menem's "idea" is to "implement the measure slowly."

In a statement to Radio Mitre, made in the military sector of the Jorge Newbery Metropolitan airport, the Air Force chief noted that "the spirit" that prevails among the governors "is to pacify" and "not look to the past."

When asked about the rally against the pardon held on Friday 8, Brig Julia said that "it was a free expression within a democratic period, something which is perfectly acceptable," but he compared the demonstration to a soccer match because "if we make a comparison we will find that a similar number of people gather for a soccer game.

Brig Julia said: "I am convinced that these issues must be overcome once and for all" and then added that "continuing to argue over the same issue prolongs the separation, the arguing, and the division when we should really be looking forward."

Asked whether he thought the possible presidential pardon should include Montonero leader Mario Firmenich, the commander said that "the more free people there are, the less rancour, the less hatred there will be, and the greater the chance that we will all be friends and strive together" for the well being of the country.

Julia confirmed that he will accompany President Menem to the United States to discuss "the sale of Pampa aircraft" to that country, and noted the importance of the trip by the Argentine delegation because "it is very important from a political and economic point of view."

Regarding the three "Pucara" aircraft that will be sent to Colombia shortly, Julia said that they will be "a donation" that represents "approximately $10 million" because "in addition to the $2.2 million that each aircraft approximately costs are the spare parts and other items."

"This is a very significant donation to support the struggle against drug trafficking" said Julia after watching President Menem fly a Pucara which "is an aircraft like any other" but comparing it to cars, he said, it is like "driving a Formula One car after an ordinary model."

Railroad Unions Strike To Protest Salary Policies

PY1409144789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1830 GMT 13 Sep 89

[Excerpt] Buenos Aires, 13 Sep (NA)—The measures adopted by the La Fraternidad locomotive engineers—with the support of the Argentina Railroads Signalmen's Association (ASFA), which has decided to stage partial stoppages tomorrow and Friday—have worsened the situation of the six railroads. The workers for these railroads, which are entirely paralyzed, are demanding salary increases.

The La Fraternidad union has warned: "If the workers are punished, the situation will get even worse." La Fraternidad Chairman Antonio Baena has said, however, that "we have no intention of adopting stricter measures."

After the official announcement that collective bargaining negotiations would be resumed, Baena said that La Fraternidad "is ready to hold talks."

"In rather vague comments, the labor minister has announced that the purchasing power of salaries will be recovered and that a salary policy for the last 3 months of the year will be defined. In view of these comments," Baena said, "we will try to resume negotiations."

Baena warned: "If branches of La Fraternidad decide to carry out measures of force on their own," our union may resort "to the sanctions foreseen in our statutes."

Baena thus responded to rumors that some of La Fraternidad branches might stage unscheduled stoppages.

The union leader alsos said that La Fraternidad will appeal if the Labor Court declares the 2-day strike—which paralyzed railroad services again today—illegal.

Today's strike caused serious problems for passengers who, mainly during rush hours, had to stand in long lines waiting for buses that passed by very crowded.

ASFA Chairman Manuel Pena has confirmed that tomorrow's partial stoppages will be staged from 0600 to 0800, from 1700 to 1900, and from 2200 to 2400 on the Mitre, Belgrano, and Roca lines. The Friday stoppages will take place during the same hours on the Urquiza, San Martin, and Sarmiento lines.

Pena denied that the stoppages "have any political connotation," pointing out that they are being staged "only to protest salary policies and as an attempt to recover the purchasing power of salaries, which has been decreasing since June." [passage omitted]

Petroleum Official Cited on Use of UK Capital

PY1509222889 Buenos Aires LA PRENSA in Spanish 15 Sep 89 p 1

[Text] Argentina has not ruled out the possibility of using British capital to exploit potential petroleum reserves in the continental shelf around the Malvinas Islands.

Government Oil Deposits (YPF) Interventor Octavio Frigerio admitted this possibility yesterday.

During a news conference with foreign correspondents, Frigerio stated that his remarks "are consistent" with Argentina's foreign policy "because the discussion on sovereign rights does not exclude the possibility of making profitable deals."

He also said that YPF has been making deals with petroleum companies that include British capital (referring to Shell) "for a long time."

He noted that YPF had signed an agreement with Shell to modernize docks and to construct an oil unloading pier that will require an investment of $30 million.

Frigerio refused to confirm a report on the existence of "rich resources" in the southern sea around the Malvinas Islands. The issue of sovereignty over these islands provoked a war between Argentina and Great Britain in 1982.

He said: "There are two foreign companies already working in the area to determine the potential resources in the zone."

Frigerio defended Argentina's petroleum policy, which is monopolized by the state through YPF.

The new policy of openess implemented by Frigerio 2 months ago, when President Carlos Menem's government assumed office, brought about the signing of 25 contracts with private companies for the exploration of an area of 200,000 square kilometers, with an investment of more than $90 million.

Frigerio added that the next concession to third companies for the exploitation of petroleium in the "contiguous zones" [zonas marginales] will require an investment totaling $1 billion.

YPF uses 36,000 employees to produce two-thirds of Argentina's 27 million cubic meters of petroleum yearly, "which implies a low efficiency level if compared to other foreign companies in similar operational situations."

The remaining Argentine petroleum exploitation has been granted to third national and foreign companies who sell their product to YPF.

Education Ministry Official on Debt to UNESCO

PY1609165289 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1820 GMT 15 Sep 89

[Text] Buenos Aires, 15 Sep (NA)—Sources close to the Foreign Ministry today revealed that Argentina would not be able to vote in the upcoming UNESCO General Assembly unless it pays $916,000 of Argentina's $5-million Argentine debt to UNESCO before 30 September.

In addition the Education and Justice Ministry owes $2,222,730 to the OAS. The debt has been increasing since 1985. There are also other, smaller debts to various international organizations.

The news agency NOTICIAS ARGENTINAS has inquired about those debts. Jorge Aguilera, the Education Ministry director general for international cooperation, said that "they are voluntary contributions that Argentina promised to pay, in the case of the OAS," and overdue installments, in the case of UNESCO.

Aguilera noted that "the Economy Ministry and the Central Bank will have to decide on our debts. [no closing quotation marks as received]

Aguilera also said that, despite the debts,—which constitute only on of the ministry's concerns—"important actions must be outlined for the government."

"We intend to reorient international cooperation, because one of the ways to help an exhausted national treasury is to use our wits to secure the greatest financial assistance possible," Aguilera said.

Aguilera added that education projects will be promoted with this financial assistance and that education planning experts and technicians will be trained.

Aguilera told NOTICIAS ARGENTINAS: "Regarding your information about the debt to the OAS, I want to make it clear that we have contacted the OAS authorities, seeking actions that will allow us to make regular payments to the OAS as a way to continue and reformulate the projects that have financial assistance."

Aguilera said that negotiations were also conducted with UNDP [United Nations Development Program] and World Bank delegations, with the goal of securing fluid financial assistance for the projects in progress.

Aguilera noted: "Speaking about the problem with UNESCO, I want to make it clear that we, along with Jorge Asis, the Argentine ambassador-designate to UNESCO, have established fluid mechanisms of communication, cooperation, and assistance."

In conclusion, Aguilera said: "We hope to solve the problems and pay the debts that we encountered upon assuming our posts, but, at the same time, we will do our utmost to reformulate the programs and plan the actions that are proper for the directorate under my responsibility."

This is the second time that Jorge Aguilera has worked for the Argentine Education Ministry. He was in charge of the Under Secretariat for University Affairs when Pedro Arrighi was education minister [in 1975].

Ex-President Charges Former Administration

PY1809172889 Buenos Aires TELAM in Spanish 1444 GMT 16 Sep 89

[Text] Cordoba, Argentina, 16 Sep (TELAM)—Former President Arturo Frondizi has charged Carlos Becerra, who was the Presidency secretary general under the Alfonsin administration, with having organized the attack on the La Tablada garrison in January 1989 on behalf of the All for the Fatherland Movement (MTP).

Frondizi said: "Becerra organized everything because he is as Marxist as Marx. He spent $9 million in organizing and conducting the attack. Therefore, the attack on La Tablada was organized by the former administration."

Frondizi made these charges in Cordoba last night during a lecture given at "El Ombu" restaurant, where he was the guest speaker. After the lecture he answered questions put by the audience.

Frondizi added: "The Radical Civic Union administration implemented a Soviet plan in the country that began in 1983. The Soviet plan matched Dr Alfonsin's political opinions. I am not Dr Alfonsin's enemy but he used to say that capitalism is incompatible with democracy and that capitalism represents a washed out system of government in the country."

Frondizi also criticized Alfonsin by saying: "I believe that an Argentine should not discuss Argentine domestic problems abroad. I think it was very wrong for him to say at the Mexican Congress that the Argentine Armed Forces, which he commanded as the president of the Republic, had committed genocide."

Frondizi also said: "I agree with President Menem that our foreign policy should not be based on ideologies, but on what is best for the country. We must seek what is best for the country and not follow ideological formulae."

Frondizi said that the Argentina crisis is "global" because it includes moral, spiritual, cultural, economic, and social aspects. He added: "Once hyperinflation is under control, a plan for the intensive development of the agricultural sector, of industry, and for a better protection of our natural resources must be implemented."

He said: "Argentina runs the risk of a crisis similar to that caused by the Austral Plan unless we adopt the appropriate measures. There can be no social justice if there are no structural changes based on development."

Frondizi said an "integrated Argentina" will be "the best step to achieve an integrated Latin America. We cannot talk about Latin American integration without having an integrated Argentina first. Argentina cannot become integrated with Bolivia, with Paraguay, with Brazil before being able to integrate the Patagonia region to the rest of our nation. This is the challenge to be faced by the current generation," he stressed.

Frondizi concluded by saying that he agrees with President Menem's plan to fight drug trafficking, "which is one of the greatest and fastest-growing problems facing Argentina. This is why we must forcefully fight drug trafficking."

Menem Receives Paraguayan Senator Laino

PY1809184889 Buenos Aires Domestic Service in Spanish 1600 GMT 18 Sep 89

[By Silvina Martinez Porta]

[Text] President Carlos Menem today received Domingo Laino, the first vice president of the Paraguayan Senate. During the meeting, they analyzed the integration process being implemented between the two countries. Laino, who is the head of the Paraguayan Authentic Radical Liberal Party, commented:

[Begin Laino recording] First there is the complementation treaty among Brazil, Argentina, and Uruguay, which Paraguay wants to join. We know that in our part of the world the policy of competition has been replaced by the policy of cooperation and complementation, which is more adequate to the needs of Argentina, Brazil, and all other Latin American countries. This treaty can also help us defend our rights and claims, and the interests of our primary products. It will prevent the heavy burden of the foreign debt from endangering our democratic systems. [end recording]

Senator Laino also said that Presidents Rodriguez and Menem may meet at the time of the dedication of the bridge that will link the Argentine town of Posadas to the Paraguayan town of Encarnacion. This dedication may take place in November or December 1989.

Laino added that the two presidents will probably hold an informal meeting at the United Nations, where the two will be attending the upcoming UN General Assembly.

Army Chief of Staff Gen Caceres Visits Chile

PY1509223789 Buenos Aires LA PRENSA in Spanish 15 Sep 89 p 6

[Text] Army Chief of Staff, Brigadier General Isidro Bonifacio Caceres, yesterday left for Chile at the invitation of the Chilean Army to participate in the national holiday celebrations.

The delegation representing the Argentine Army is made up of the flag and a detachment from the Argentine Military School, the "Patricios" Infantry Regiment, and the "General San Martin" Granadiers Cavalry Regiment. It has been said that within the framework of Latin American integration, and in compliance with the policy of rapprochement implemented by the Argentine president, Gen Caceres will invite the Deputy commander of the Chilean Army, Lieutenant General Jorge Zincke, to visit Argentina.

Arms Cache Discovered in Northern Buenos Aires

PY1409141189 Buenos Aires Domestic Service in Spanish 0200 GMT 14 Sep 89

[Text] Judicial sources have reported that San Isidro Federal Judge Alberto Daniel Piotti's operations in northern Buenos Aires have uncovered a substantial arsenal of weapons and ammunitions. Five people have also been detained.

These operations were carried out yesterday and today at 2990 Virrey Zeballos Street in the Don Torcuato neighborhood and in a house located in northern Buenos Aires.

According to the sources, two of the five individuals arrested in these operations reportedly belong to a security organization. Piotti carried out the first operation at 1500 yesterday with Alejandro Guillon, his assistant secretary, and ENTEL [National Telecommunications Enterprise] officials Roberto Papaleo and Alberto Fernandez, after these officials filed a complaint regarding the theft of cable and other elements used in telephone installations.

One individual—reportedly a member of a security organization—was detained in the operation at 2990 Virrey Zeballos Street, in the Don Torcuato neighborhood. Several weapons, MK-2 hand grenades, Israeli-made Uzi submachineguns, and large amounts of ammunition and powder and mercury for making bombs were seized. Many other stolen goods were also found, such as sports equipment, sandals, stamps, and vehicle documents.

Frondizi Appointed Adviser to Presidency

PY1609155489 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2249 GMT 15 Sep 89

[Excerpt] Buenos Aires, 15 Sep (NOTICIAS ARGENTINAS)—This afternoon it was officially reported that former President of the Republic Arturo Frondizi was appointed "ad-honorem" adviser to the Presidency of the nation. [passage omitted]

New Public Prosecutor General Appointed 15 Sep

PY1609165789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1900 GMT 15 Sep 89

[Text] Buenos Aires, 15 Sep—The executive branch today appointed Dr Oscar Eduardo Roger public prosecutor general, replacing Dr Andres d'Alessio, who resigned. This information was made public by the Government House.

Bolivia

President Opposes Use of Military Against Drugs

PY1909035489 Madrid EFE in Spanish 2004 GMT 18 Sep 89

[Text] La Paz, 18 Sep (EFE)—Bolivian President Jaime Paz Zamora disagrees with militarizing the struggle against drugs in the country, as well as with the presence of foreign or multinational forces in Bolivia.

Today the local press published the comments made by the Bolivian president, who said that "Bolivia does not need—either for military purposes or for any other reason—troops from friendly countries, multinational forces, or forces of international organizations such as the United Nations."

He added that special Bolivian organizations are capable of "confronting this scourge," although he admitted that for the time being those national organizations "do not have the conviction or the resolve with which to face the war against drug trafficking."

The struggle against drug trafficking in Bolivia—the second leading world producer of coca, the raw material with which 72 tons of cocaine are produced—is conducted by the police.

Paz Zamora, who was sworn in as president last 6 August, does not favor turning the drug-trafficking problem into a "bilateral" issue between Bolivia and the United States.

"All countries must cooperate in this struggle, in different ways, not necessarily by sending military troops," the Bolivian president said.

Paz Zamora expressed his belief that the antidrug fight should be approached from a different standpoint, and that the forcible eradication of coca plantations, which will bring about social and political problems, "will not be a solution."

Paz Zamora added: "No one, in Bolivia or elsewhere, should be deprived of his economic mainstay without receiving an adequate alternate source of income."

The Bolivian president also announced today that he will reduce to a minimum the government's participation in Bolivian enterprises. Therefore, the transfer of some enterprises to the private sector cannot be ruled out.

Paz Zamora also announced that a new investment law, which will give guarantees to public and private business sectors, will soon go into effect.

Brazil

President Sarney To Visit Ecuador 25-26 Oct

PY1909005089 Brasilia Domestic Service in Portuguese 2200 GMT 18 Sep 89

[Text] President Jose Sarney will make an official visit to Ecuador on 25 and 26 October at the invitation of Ecuadoran President Rodrigo Borja.

This information was disclosed simultaneously by the Brazilian and Ecuadoran Foreign Ministries.

Free Political Advertising Campaign Begins

PY1409181789 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 14 Sep 89

[Excerpts] There is a great deal of activity today at the campaign management offices of the presidential candidates. The candidates and their advisers are putting the finishing touches on the programs that will be broadcast as of tomorrow during the free time allocated by radio and television stations. For the next 2 months or so, the tune that will be most frequently heard on Brazilian radio and television will be the sign-on of the free electoral ads. [passage omitted]

As of tomorrow, because of the beginning of the free electoral advertising campaign ordered by the Superior Electoral Court, the Hoje newscast will change its broadcast time: From Monday to Friday it will be broadcast at 1230 local time and on Saturday it will be broadcast at 1400 local time.

Candidates Campaign Over Radio

PY1509185689

[Editorial Report] Brasilia Radio Nacional da Amazonia Network in Portuguese at 1000 GMT on 15 September carries 50 minutes of campaign advertisements from presidential candidates, in compliance with Law 7773 of 8 June 1989 whereby the national radio network must air such political advertisements free of charge for 59 days until election day.

The ads range from 3.5 to 7 minutes in length. They utilize a variety of devices, including songs, testimonials by ordinary people, endorsements by personalities, messages by candidates, and interviews with candidates, to present the candidates to the Brazilian people at large and ask for their votes.

The following parties and candidates were given spots. Interpersed were the names of parties which did not submit campaign material for broadcast:
Celso Brant, National Mobilization Party, PMN;
Space reserved for Brazilian Municipalist Party, PMB;
Space reserved for National Party, PN;
Luiz Ignacio da Silva, Workers Party, PT;
Zamir Teixeira, the National Community Party, PCN;
Roberto Freire, Brazilian Communist Party;
Leonel Brizola, Democratic Labor Party, PDT;
Paulo Maluf, Social Democratic Party, PDS;
Space reserved for PLP [expansion unknown];
Space reserved for the PDC do B [expansion unknown];
Mario Covas, Brazilian Democratic Social Party, PSDB;
Ulysses Guimaraes, Brazilian Democratic Mobilization Party, PMDB;
Space reserved for the Green Party, PV;
Fernando Collor de Melo, National Reconstruction Party, PRN;
Space reserved for Liberal Party, PL;
Space reserved for the Brazilian Labor Party, PTB;
Aureliano Chaves, candidate for the Liberal Front Party, PFL;
Space reserved for the Democratic Social Party, PSD.

Candidates Campaign on Television

PY1509202689

[Editorial Report] Rio de Janeiro Rede Globo Television in Portuguese at 1600 GMT on 15 September broadcasts a 70-minute program of free political advertisements in compliance with Law 7773 of 8 June 1989.

Similar to the radio advertisements run earlier in the day and described in the referent item, the television advertisements utilize a variety of devices, including songs, testimonials by ordinary people, celebrity endorsements, and messages by the candidates, as well as shots of Brazil and the party logos and symbols.

Campaign ads for the following presidential candidates are carried:
Celso Brant, National Mobilization Party;
Armando Correa, Brazilian Municipalist Party;
Livia Pio de Abreu, National Party;
Luis Ignacio da Silva, Workers Party;
Zamir Teixeira, National Community Party;
Antonio Pedreira, Brazilian People's Party;
Roberto Freire, Brazilian Communist Party;
Leonel Brizola, Democratic Worker's Party;
Paulo Maluf, Social Democratic Party, PDS;
Eudes de Oliveira Mattar, PLP [expansion unknown];
Jose Alcides Marronzinho, Progressive Social Party;
Manoel Horta, PDC do B [expansion unknown];
Mario Covas, Brazilian Social Democratic Party;
Ulysses Guimaraes, Brazilian Democratic Mobilization Party
Fernando Gabeira, Green Party;
Fernando Collor, National Reconstruction Party;
Afif Domingos, Liberal Party;
Affonso Camargo, Brazilian Labor Party;
Aureliano Chaves, Liberal Front Party;
Eneas Carneiro, PRONA [expansion unknown];
Ronaldo Caiado, Social Democratic Party, PSD.

'Espirito Santo-Bolivia' Drug Ring Dismantled

PY1809173289 Rio de Janeiro O GLOBO in Portuguese 17 Sep 89 p 1

[Text] Yesterday morning, 27 people were detained and more than 30 stolen cars were seized in various parts of

Vitoria (Espirito Santo State) during a huge operation conducted by the Federal Police Department (DPF). The operation dismantled the "Espirito Santo-Bolivia Connection," which consisted of exchanging cars that had been stolen in Vitoria for Bolivian or Colombian cocaine. The "Marseille Operation," as the operation was called, involved 70 policemen. The operation was coordinated by the Rio de Janeiro, Sao Paulo, and Espirito Santo DPF.

The operation's main objective—the arrest of stolen-car dealer Joao Luiz de Souza—was not achieved, however, because, although having been surrounded by six armed policemen, Souza managed to escape.

Soviets Propose Joint Satellite Development Plan

PY1609150089 Rio de Janeiro O GLOBO in Portuguese 15 Sep 89 p 18

[Text] Brasilia—The space center that the Aeronautics Ministry is building in Alcantara, Maranhao State, might be used for launching rockets and satellites developed jointly by Brazil and the Soviet Union. This is one of the proposals being discussed by the two countries under the space agreement signed last year during President Jose Sarney's visit to Moscow. The Soviets' interest in the Alcantara Space Center was confirmed by Boris Khabirov, Foreign Ministry representative and member of the mission from Glavkosmos—the Soviet space agency—that is visiting Brazil.

The Soviet mission yesterday held its first meeting with Brazilian Government officials and was received by Admiral Valbert Lisieux Medeiros de Figueiredo, chief of the Armed Forces Joint Staff (EMFA) and president of the Brazilian Space Activities Commission (COBAE).

The Alcantara Space Center, which is scheduled for completion in December 1991, has one of the best locations in the world for saving fuel during satellite launches.

At the first meeting, the Soviets presented several proposals for the joint development of meteorological, remote sensing, and communication satellites. Adm Valbert Lisieux said that technolgy transfer is an essential consideration, and that the Soviets agree to transfer technology only for peaceful ends. One way to implement the transfer would be through the formation of joint ventures between Glavkosmos and Brazilian enterprises. Elebra [Brazilian Electronic, Inc] is conducting negotiations with the Soviets for that purpose, the EMFA chief revealed. He said that the negotiations are at an advanced stage.

Venture With U.S. Firm Protested

PY1609153889 Rio de Janeiro O GLOBO in Portuguese 15 Sep 89 p 18

[Text] Sao Jose dos Campos, Sao Paulo state—Scientists linked to the Brazilian space program, which is now delayed for the lack of funds, have expressed disapproval of an announced joint venture with the U.S. Space Commerce Corporation, a U.S. company, for the purpose of launching satellites with Soviet rockets in Brazil. In the scientists' opinion, Brazil's Satellite Launching Vehicle, VLS, program should be supported, now that it is in the final stages of development. The Space Research Institute (INPE) has confirmed that members of the Space Commerce Corporation and the Soviet space agency today will visit the institute's installations, as well as those of the Aerospace Technical Center.

During his visit to INPE last week, Arthur Dula, president of the Space Commerce Corporation, admitted that he was late in coming to Brazil, because his corporation—which is a service representative of the Soviet aerospace industry in the West—had missed its chance when it failed to participate in the bidding for launching the Brasilsat satellite.

For 2 hours, Dula toured the INPE laboratories, watched films, talked with a group of researchers, and met separately with two directors of the institute. During that time Dula did not reveal any Soviet interest in establishing a satellite and rocket manufacturing plant in Brazil. In the opinion of Brazilian scientists who are engaged in joint research with Soviet institutions, there is not the slightest chance that such an undertaking can succeed, because the Soviets maintain rigid norms for the production of such devices and for controlling their technology. The Soviets want to sell ready-made satellites and rockets but have never demonstrated interest in manufacturing them outside their country.

The name of the Brazilian company that would associate with the Space Commerce Corporation was not confirmed. Avibras [Brazilian Aerospace Industry], a rockets and weapons manufacturer, is a likely partner, but it has denied that it would.

Nuclear Submarine Ready 'Within 5 or 6 Years'

PY1509184589 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Sep 89 p A-6

[Text] Rio de Janeiro—The first Brazilian nuclear submarine will be completed within 5 or 6 years, and not 10 years as the Navy has been reporting. This information was supplied by Rear Admiral Roberto de Oliveira Coimbra, the commander of the Navy destroyers force. Since 1988, the research center of Aramar, in Ipero (125 km west of Sao Paulo), has been enriching uranium to the required 20 percent to be used as fuel by the submarine. Aramar is part of the parallel nuclear program and is outside the safeguards of the International Atomic Energy Agency of Vienna, Austria.

The National Commission for Nuclear Energy (CNEN) has left aside other studies to concentrate more on the parallel program, particularly to this project with the Navy. Two years ago an accident, involving a Cesium-137 capsule, occurred in Goiania, killing four persons.

At that time the CNEN announced that it was studying dump sites for nuclear and hospital waste, but they were not implemented.

The CNEN has four accounts—which were called "Deltas" until 1986—within the parallel nuclear program. Their funds are allocated for secret activities, including those of the Armed Forces. The parallel program also includes a facility in Serra do Cachimbo (PA) [Para State].

The CNEN is working on a project to build reactors for the Army at the Army Technological Center [Centro Tecnologico do Exercito] (Cetex) Marambaia (RJ) [Rio de Janeiro State]. At its Nuclear Engineering Institute (IEN) in Ilha do Governador (northern Rio de Janeiro), the CNEN keeps three sodium circuits that were purchased in 1981 from an Italian company for about $10 million (30 million new cruzados at the official rate of exchange). This debt is being paid, including interest charges of about $500,000 (or 1.5 million new cruzados) per annum, but the circuits have not even been assembled.

Navy Calls for Environmental Impact Report

PY1509220789 Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Sep 89 p A-4

[By Tania Malheiros]

[Text] Rio de Janeiro—The Navy has called for bids for designing an Environmental Impact Report (RIMA) on the first National Pressurized Water Reactor (RENAP-1). The RENAP-1 has already been designed and will be built by the Aramar Experimental Center (125 km west of Sao Paulo). Fourteen local enterprises have submitted their offers, and the winning offer will be announced within the next 30 days.

In Sao Paulo, the Coordinating Board of Special Navy Projects (COPESP), through Lieutenant Cesar de Piere, has announced that it cannot publish the names of the bidders.

FOLHA, however, has learned that Hidroservice, Pronom, Sondotecnica, and Engevix are among the bidders. De Piere said that RENAP-1 will allow the Navy to master general reactor technology. RENAP-1 will have a generating capacity of approximately 100 megawatts and it may be used for propelling a nuclear submarine or for producing electricity. The Rima will be designed over a period of approximately 1 year. The offers were submitted on 24 July 1989.

National Nuclear Energy Commission (CNEN) president Rex Nazareth has said that the pressurized water reactor (PWR) has been chosen because it is the world's most widely used reactor and because it was developed as a result of the naval propulsion program, in which the navy has an interest. The CNEN is also participating in this Navy project.

Navy Minister Admiral Henrique Saboia said 3 months ago that the RENAP-1 will serve as model for the construction of the RENAP-2 that will be fitted in the nuclear submarine that is being built by the Navy at its arsenal in Rio de Janeiro. According to Rear Admiral Othon Luiz Pinheiro, who is the COPESP president, private enterprises are already manufacturing most of the RENAP-1 components. The Navy minister said that the Brazilian nuclear submarine will be of German design, although the Navy is interested in developing its own design.

Aramar participates in the parallel nuclear program. When this center was officially dedicated in April last year, Adm Saboia said: "The center has an environment monitoring system, yet neighbors have voiced their concern. There is a history of radioactive accidents."

Israeli Minister on Incorporation of Territories

PY1509185189 Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Sep 89 p A-8

[Text] If Israel incorporates the occupied territories of Gaza and the West Bank, it will risk its Jewish State status because the Arab population could outnumber the Jewish population. However, it is preferrable to struggle to maintain a Jewish majority than to believe in the "peace promises" of the Palestine Liberation Organization.

This is the reasoning of attorney Ehud Olmert, a minister without portfolio involved in the minorities of Israel, who is visiting Brazil. Olmert, 44, held a news conference yesterday in Sao Paulo, at the A Hebraica Club (in southern Sao Paulo). In Israel, there are 3.6 million Jews and 785,000 Arabs. In the occupied territories there are 1.4 million Palestinians and 80,000 Jews, and the Arab population is growing at a faster rate then the Jewish population.

Olmert describes his policy as a quest for "complete equality between Arabs and Jews," an equality provided for by the laws, but one that does not exist in practice. A member of the Likud Party, a right-wing party that holds a majority in government, Olmert describes himself as more "liberal" than his cabinet peers, the Labor Party members. "While the socialists talk, the conservatives act," Olmert concluded.

Central Government Registers Budget Deficit

PY1609184089 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Sep 89 p 3

[Summary] The National Treasury Secretariat has reported that the Central Government registered a budget deficit of 15.9 billion new cruzados over the January-August period. It explained that the service on the domestic public debt is responsible for 13.2 billion new cruzados of the total deficit.

Oil Reserves Drop Due to Lack of Investment

PY1509212189 Rio de Janeiro O GLOBO in Portuguese 14 Sep 89 p 25

[Excerpts] Brazilian oil reserves have dropped during the first half of this year. This drop is the first in 14 years. Part of the cause is the poor results from oil prospecting, but the main reason for the drop is the reduction of Petrobras [Brazilian Petroleum Corporation] investments. At the end of the first half of the year oil reserves at sea, to a depth of 1,000 meters, totalled 2.801 billion barrels. This is 15 million barrels less than on 31 December 1988, when the resevers stood at 2.816 billion.

For the first time in many years the reserves discovered during the first half of the year are less than the production. [passage omitted]

Oil production, meanwhile, on 13 September hit a record 663,000 barrels per day. It is expected that another 37,000 barrels per day should be produced, to hit the 700,000- barrels-per-day target set for December 1999. The 2.8-billion-barrel reserves are enough to meet consumption for the next 14 years.

* Candidates' Economic Advisers on Primary Issues

33420078 Rio de Janeiro MANCHETE in Portuguese 12 Aug 89 pp 72-78

[Article by Beatriz Cardoso and Claudio Accioli]

[Text] Seven are economists, one is a lawyer, and one is an engineer. Of the nine, three are members of Congress. Confusing? A little. But there is no comparison between that and the tangled complex of numbers that each of them is preparing to unravel. Eventually—on 15 March 1990, when the new president of the Republic takes office—one of them will be in command of the country's economy. That job today is about as pleasant as the job of a referee on the afternoon of the Flamengo-Fluminense game with Maracana Stadium filled to capacity. But none of that seems to intimidate the most important economic advisers to the presidential hopefuls. Those advisers, shown in the photograph [not included], are: engineer Carlos Alberto Torres, adviser to Roberto Freire (PCB [Brazilian Communist Party]); Federal Deputy Jose Serra (PSDB [Brazilian Social Democracy Party]), adviser to Mario Covas; Paulo Guedes, adviser to Guilherme Afif Domingos (PL [Liberal Party]); Zelia Cardoso de Mello, adviser to Fernando Collor (PRN [National Reconstruction Party]); Luciano Coutinho, adviser to Ulysses Guimaraes (PMDB [Brazilian Democratic Movement Party]); Aloizio Mercadante Oliva, adviser to Luiz Ignacio Lula da Silva (PT [Workers Party]); Miguel Colasuonno, adviser to Paulo Maluf (PDS [Social Democratic Party]); attorney and Federal Deputy Francisco Dornelles (PFL [Liberal Front Party], Rio de Janeiro), adviser to Aureliano Chaves; and municipal councilor Tito Ryff (PDT [Democratic Workers Party], Rio de Janeiro), adviser to Leonel Brizola. At least in theory, all of them have solutions to everything. And, obviously, the will to implement those solutions. To do so, all they need is their candidate's victory at the ballot box.

Inflation

- Zelia Cardoso de Mello, PRN (Collor): In the medium and long term, unleash a process of self-sustained economic growth combined with restored credibility for an elected government. In the short term, expect the current authorities to prevent hyperinflation. An emergency plan is not ruled out, but it will not be a crash program.
- Tito Ryff, PDT (Brizola): Domestically, an austerity policy with respect to government spending combined with measures to combat tax fraud and a reexamination of subsidies and incentives. Externally, a substantial reduction in the transfer of funds abroad in payment of the debt. A declining deficit will make the economy more competitive.
- Aloizio Mercadante Oliva, PT (Lula): Immediate suspension of payment of the foreign debt and negotiation with creditors to lengthen the profile of the public debt. Increase tax collections. Introduce a policy for ensuring supplies based on government-managed buffer stocks, a sliding wage scale, and the opening of labor fronts.
- Jose Serra, PSDB (Covas): Introduce an anti-inflationary strategy based on three "efforts": a fiscal adjustment policy to contain public spending, monetary reform, and wage and price regulations to keep the social costs of unemployment and declining productivity from going higher.
- Miguel Colasuonno, PDS (Maluf): In the very short term, an immediate reduction in government spending. Immediate control of inflation thanks to a government which has society's confidence.
- Luciano Coutinho, PMDB (Guimaraes): In the short term, promote a national agreement (not a pact) or adopt extraordinary measures. In the medium term, improve tax revenues by taxing sectors that are exempt or insufficiently taxed, reorganize the prices and rates charged for government services, and, lastly, carry out an administrative reform.
- Paulo Guedes, PL (Afif): A "liberal crash program" to stabilize the economy by means of a three-pronged attack: (1) changes in the fiscal system (reduced subsidies, exemptions, and incentives, administrative and tax reform, and privatization); (2) monetary reform (a new currency and autonomy for the Central Bank); and (3) renegotiation of the foreign debt.
- Francisco Dornelles, PFL (Aureliano): Rehabilitate the level of investment to make growth possible. Stimulate private savings and reduce the public-sector deficit. Bring in foreign funds. Renegotiate the foreign debt to eliminate the net outflow of funds.
- Carlos Alberto Torres, PCB (Roberto Freire): Implement an economic stabilization plan capable of establishing a new income policy by combating inflation while keeping wages at levels compatible with reality. Reduce the net income sent abroad. Reduce profits, chiefly in the financial market.

Wages

- Zelia Cardoso de Mello, PRN (Collor): Free negotiation, but with a continuation of the state's normative guidelines as a means of protecting the purchasing power of wages, especially for those on low incomes. A real increase in wages only if the economy is growing. Strong and organized labor unions.
- Tito Ryff, PDT (Brizola): An increase in real wages only when inflation drops and economic growth resumes. An active policy to increase the real value of the minimum wage. Income redistribution will also be achieved through social investments in education, health, basic sanitation, housing, and increased food supplies.
- Aloizio Mercadante Oliva, PT (Lula): Resumption of economic growth and a better distribution of income. A wage policy that will gradually make up for the losses suffered in previous years. Collective bargaining, free negotiation, and the establishment of wage scales. Wide freedom and autonomy for unions, with an unrestricted right to strike.
- Jose Serra, PSDB (Covas): It will be up to the government to coordinate the wage policy for government employees and set the minimum wage. Free negotiation under government supervision to prevent alliances within the oligopolistic sector between businessmen and employers, who would then pass the costs on to the public.
- Miguel Colasuonno, PDS (Maluf): A resumption of development and production with a drastic reduction in public spending. An increase in wages in the medium term only if there is a corresponding increase in the country's agricultural and industrial production.
- Luciano Coutinho, PMDB (Guimaraes): In the current economic situation, it is possible only to maintain wages. With economic stabilization, we will adopt free negotiation for the higher salary ranges and automatic indexing for the lowest, with the residue going to those in the middle ranges. To do that, it is necessary to increase productivity, exports, and profits.
- Paulo Guedes, PL (Afif): In the current economic situation, there is no way to increase wages. With economic stabilization, the ideal would be free negotiation, with the government doing no more than setting the minimum wage.
- Francisco Dornelles, PFL (Aureliano): Free negotiation, with mechanisms to prevent wages from losing purchasing power in periods of high inflation.
- Carlos Alberto Torres, PCB (Roberto Freire): Establish an indexing system for monthly wage correction that will guarantee workers the value of their purchasing power at constant prices. The Brazilian capitalist must accept the onus as well as the bonus.

Public Deficit

- Zelia Cardoso de Mello, PRN (Collor): Administrative reform, with a reduction in the number of agencies (including ministries). A shrinkage of government machinery (including personnel). Renegotiation of the foreign debt. Tax reform. A reorganization of government holdings through privatization and better utilization of the Federal Government's assets.
- Tito Ryff, PDT (Brizola): Combat tax fraud and revise concessions to generate a surplus amounting to 3 or 4 percent of GDP [gross domestic product]. Eliminating ministries does not mean reducing expenditures. Carry out an administrative reform that will eliminate the superposing of public agencies and restore merit as a basis for the selection and advancement of government employees.
- Aloizio Mercadante Oliva, PT (Lula): A cutback in subsidies and the suspension of questionable large-scale public works and projects. Public competitive examinations for new government employees. A reduction in the number of ministries and the elimination of government agencies. A revision of the mechanisms for tax collection and the taxing of fortunes and capital gains.
- Jose Serra, PSDB (Covas): Lower expenditures and higher revenues, with a suspension of incentives and subsidies. Establish infrastructures making it possible to combine ministries. Limit the filling of vacancies occurring in the public sector and revise existing personnel contracts within the limits of the Constitution.
- Miguel Colasuonno, PDS (Maluf): Transfer all or almost all government enterprises to the private sector, the exceptions being those attached to the Ministries of Health and of Welfare and Social Security and those in the energy sector. Reduce the number of ministries and direct administrative agencies by at least 50 percent. Continue those subsidies which generate jobs.
- Luciano Coutinho, PMDB (Guimaraes): A general 2-year suspension of subsidies and incentives. An across-the-board merger of the ministries, with state councils by sector. Shrink the civil service by eliminating duplicate functions or jobs and summarily fire "ghost employees" for just cause.
- Paulo Guedes, PL (Afif): Do away with sectoral bureaucracies by eliminating mechanisms for transferring public money to the private sector (subsidies and so on). Large-scale privatization, a reduction in the number of ministries to 10, the elimination of government agencies such as the IAA [Sugar and Alcohol Institute], the IBC [Brazilian Coffee Institute], and Sunamam [National Superintendency of the Merchant Marine].
- Francisco Dornelles, PFL (Aureliano): Resumption of growth and a reduction in the inflationary spiral based on equilibrium in the public sector through a rationalization of financing costs. Reorganize public spending, combat tax fraud, and improve the efficiency of the tax collection machinery.
- Carlos Alberto Torres, PCB (Roberto Freire): Immediate revision of the system of giving away public revenues to economic groups in the form of prices and rates lower than the real cost of the goods and services produced by government enterprises. Reorganize public rates and charges so that government enterprises will no longer be viewed as junk.

Foreign Debt

- Zelia Cardoso de Mello, PRN (Collor): Avoid confrontation. Reduce the remittance of foreign exchange so as to encourage self-sustained growth. The debt should be paid, but on terms and conditions compatible with growth. The priority is development. Payment comes later.
- Tito Ryff, PDT (Brizola): Reduce the transfer of funds abroad in payment of interest and reevaluate the rates being charged. Recalculate the principal and remove the exorbitant interest. Renegotiate the principal for payment over 40 or 50 years. Avoid defaulting, but pay it as we are able.
- Aloizio Mercadante Oliva, PT (Lula): No payment and the setting up of an audit to examine the history of the debt. Get together with the debtor countries to devise a common strategy for dealing with and renegotiating the debt.
- Jose Serra, PSDB (Covas): Build up Brazilian reserves of at least $9 billion. Reduce the trade surplus to 2 or 3 percent of GDP. Negotiate a reduction in the outstanding balance and interest without a moratorium or the current system of renegotiation. Attract new foreign investments (in a creditor-partner arrangement).
- Miguel Colasuonno, PDS (Maluf): Deal directly with the presidents of the creditor countries to obtain an overall reduction in the debt balance, offering in return a stabilized and disinflationary Brazilian economy along with a liberal economic policy interested in sharing in the large profits generated in the First World.
- Luciano Coutinho, PMDB (Guimaraes): Negotiate a reduction in the outstanding principal and interest. Secure the debt by exchanging the debt instruments for Treasury bonds at the price on the secondary market (about 40 percent), with the discount to be used for new investments. The moratorium to be used only as a tool for negotiation.
- Paulo Guedes, PL (Afif): Reduce the debt through three mechanisms: the exchange of debt instruments at full value for shares in the firms to be nationalized; the providing of security in the form of bonds at a 30-percent discount; or repurchase of the paper at the price on the secondary market, which amounts to between 30 and 40 percent of the face value of that paper.
- Francisco Dornelles, PFL (Aureliano): Brazil's integrated presence on the international financial scene. Movement of capital in both directions: the steady receipt of funds and payment of the country's obligations. Avoid a net transfer of funds out of the country by a limitation on its growth.
- Carlos Alberto Torres, PCB (Roberto Freire): The solution is political: suspension of debt service payments for the time being and, following an audit, restoration of historical interest rates in place of fluctuating rates. The Ministry of Foreign Affairs must play a fundamental role in the negotiation process.

Development

- Zelia Cardoso de Mello, PRN (Collor): Promote greater technological expertise and gradually expose Brazilian industry to international competition, either on foreign markets or by increasing imports. The ZPE's [Export Processing Zones] do not contribute to this. A protected market as a temporary measure. Strengthen supervision of the financial market.
- Tito Ryff, PDT (Brizola): The ZPE's can be important instruments in regional development. The Industrial Development Council (CDI) must formulate policies, not turn into a bureaucracy. The data processing policy must be reassessed. Independent authorities should be appointed to supervise the financial market.
- Aloizio Mercadante Oliva, PT (Lula): Organizations such as the Bank of Brazil and the Federal Savings Bank should be strengthened to provide credit for the productive sectors. Halt the flight of capital and attract new funds. Monitor foreign trade to prevent underbilling and overbilling.
- Jose Serra, PSDB (Covas): The ZPE's were established in an unconstitutional manner, but some are irreversible. Revise the data processing policy by 1992 and the protected market policy. Increase investments in research and in the training of human resources.
- Miguel Colasuonno, PDS (Maluf): Reduce inflationary pressure so as to transform financial assets into capital for financing production in the agricultural sector and boosting the industrial sector, both of which generate new jobs. A real increase in wages will be the result.
- Luciano Coutinho, PMDB (Guimaraes): Create financial instruments to sustain a new cycle of investment. Capitalization of the public sector and technological modernization of some sectors. Revision of the data processing policy. Strengthen Suframa [Superintendency of the Manaus Free Trade Zone] as a genuine export zone, not the ZPE's.
- Paulo Guedes, PL (Afif): Resumption of growth will be achieved with funds resulting from conversion of the debt, with $80 billion being invested in the short term and $60 billion being deposited in foreign banks. The large companies already established can absorb the government enterprises. The SEI [Special Secretariat of Informatics] and the protected market should be abolished.
- Francisco Dornelles, PFL (Aureliano): Periodic reevaluation of the policy on the data processing sector. Protected-market status should not be granted to any other sector. Compliance with congressional legislation limiting the experiment with ZPE's. Drafting of a law to expand the mechanisms for overseeing the financial market.
- Carlos Alberto Torres, PCB (Roberto Freire): Maximum priority to strategic technologies such as data processing, fine chemicals, biotechnology, new materials, and special alloys. Attention should be paid to

the policies of the Industrial Development Council (CDI), which is about to grant generous subsidies to the multinationals.

Foreign Capital

- Zelia Cardoso de Mello, PRN (Collor): Provide foreign productive capital with stable rules, without privileges but also without prejudice. The remittance of profits abroad is a problem only when there is uneasiness and uncertainty due to the government's lack of credibility.
- Tito Ryff, PDT (Brizola): There are already limits to foreign capital's participation in areas considered strategic. In the more dynamic sectors (biotechnology, fine chemicals, and so on), foreign capital should be welcomed since it ensures the presence of domestic capital and technology transfer. Profits to be invested in Brazil.
- Aloizio Mercadante Oliva, PT (Lula): Promote the economic integration of Latin America. The entry of foreign capital must be subordinate to the needs of development and ensure benefits and productivity gains for society. The protected market should apply only to new high-tech sectors, with definite time limits and goals and with supervision.
- Jose Serra, PSDB (Covas): Integrate Brazil with the process of internationalization taking place in the world economy. Allow foreign capital into areas requiring new technologies and investment, except those of strategic importance. This opening up should be in accordance with the principle of reciprocity so as to attract other funds.
- Miguel Colasuonno, PDS (Maluf): Allow the international investors coming here wide freedom to create new jobs and invest their profits in the country. Attract that capital by offering a profit-making economy—that is, a stabilized economy with inflation under control.
- Luciano Coutinho, PMDB (Guimaraes): Open up to foreign capital in keeping with the needs of industrial development. Attract that capital to the more complex sectors needing to be modernized while protecting high-tech sectors such as fine chemicals, new materials, and so on, with mechanisms for the capitalization of domestic firms.
- Paulo Guedes, PL (Afif): All sectors should be more open to foreign capital, but the Constitution has ruled that out in some cases. The combination of foreign and domestic funds will create more jobs and possibilities for larger investments. Import tariffs should be reduced or simplified.
- Francisco Dornelles, PFL (Aureliano): Welcome foreign capital coming into the country to generate wealth and create jobs. Keep Law No 4,131 of 1962, which limits profit remittances abroad.
- Carlos Alberto Torres, PCB (Roberto Freire): No a priori discrimination against foreign capital. Its role will be subordinate to national interests. It cannot be subsidized as it is now. Net profits sent abroad, like profit remittances, royalties, and so on, will be the subject of review.

Major Projects

- Zelia Cardoso de Mello, PRN (Collor): Careful review of all major projects, with suspension of those that are economically unviable and/or harmful to national interests. Sometimes it is more expensive to suspend a project than it is to complete it.
- Tito Ryff, PDT (Brizola): Priority will go to the energy sector and particularly investments in medium-sized and large hydroelectric plants. Proalcool [Alcohol Production Program] has accomplished its mission of alleviating the oil crisis. The nuclear program has failed completely as an energy alternative.
- Aloizio Mercadante Oliva, PT (Lula): Revision of the energy program, including projects for the construction of large hydroelectric plants in Amazonia. Reform in the area of energy rates. New requirements for the electro-electronic and automobile industries. Suspension of the nuclear program and the North-South Railroad.
- Jose Serra, PSDB (Covas): Since the economy is crippled, avoid investments in projects intended to create new areas of activity, an example being the North-South Railroad. Expedite projects in areas that are already active. Keep Proalcool because of the petroleum problem in the world and decelerate the nuclear program.
- Miguel Colasuonno, PDS (Maluf): Keep the hydroelectric projects and the Proalcool program. Continue the nuclear program as far as its technological aspects are concerned, but build the plants at a slower rate, with more foreign financing. Other projects will depend on the success of the anti-inflation measures.
- Luciano Coutinho, PMDB (Guimaraes): Reorganize the programs to support economic growth. More investment in the steel industry. Open up the nuclear program to the national scientific community. Reduce spending on such programs as Proalcool and the North-South Railroad and give priority to maintenance of the federal road system.
- Paulo Guedes, PL (Afif): The state should turn its attention to the social sector by making larger investments in research and development centers. Eliminate Proalcool and suspend the nuclear program and the North-South Railroad. Construct small hydroelectric plants with private capital for supplying regional demand.
- Francisco Dornelles, PFL (Aureliano): Channel new investments into the economic infrastructure, with an emphasis on electric power, transportation, and communications. Invest without new issues by encouraging private savings and increasing the flow of foreign funds. Cover costs with realistic rates. Reevaluate projects that are underway.
- Carlos Alberto Torres, PCB (Roberto Freire): Parallel budgets and dozens of agencies making decisions without the consent of Congress are features of a

dictatorship. Economic planning with the participation of society rather than "enlightened" technocrats will act as a check on waste. Big projects should be screened by the people.

Next Government's Enemy No 1: Public Deficit

Whether on the left, in the center, or on the right, and whether conservative or progressive, liberal, social democratic, or communist, all the possible future ministers agree on one thing: Inflation can be defeated only by an austere government that is credible and has been legitimized by popular vote. Whether coincidentally or not, it is a fact that as the presidential election approaches, they all "elect" the ballot box as the starting point for fighting the country's biggest enemy. And they prescribe a resumption of economic growth for exorcising the ghost of hyperinflation.

Most of them prefer not to prescribe treatments or remedies for the crisis in these final days of the current administration. Fernando Collor de Mello's National Reconstruction Party (PRN) is simply hoping that there will be no more mistakes in economic policy from now on and says it is not the job of its slate to suggest "contingency" measures. In the opinion of the Social Democratic Party (Paulo Maluf's PDS), all one need do is cut spending, and development will follow naturally. The Workers Party (PT) takes a tougher line, saying that the state must deal out the losses to those who can afford to pay more. What about the plans to be carried out by a new presidential administration? The one holding out a quick prescription for bringing inflation down to zero within 6 months is economist Paulo Guedes, who, although not a member of the Liberal Party, is responsible for the economic platform of candidate Guilherme Afif Domingos. In a document entitled "National Program for Development With Freedom," the PL is promising a "liberal crash program" for stabilizing the economy by means of a three-pronged attack: fiscal reform, monetary reform, and renegotiation of the foreign debt. Among other points in its strategy, it calls for reducing tax rates and enlarging the tax base by placing a moderate tax on all incomes, including those from the informal economy. Guedes also suggests the establishment of a new currency—the brasilis (BR$)—emphasizing that it will be up to the Central Bank, which will have more autonomy, to ensure the stability of that currency and stop financing the government. The optimistic economist argues: "The eighth-largest economy in the world should have the eighth-strongest currency in the world." If that does not happen, the country will at least have the consolation of knowing that it has had four different currencies in just 4 years. Luciano Coutinho, who advises Ulysses Guimaraes (PMBD), recommends that there be a national agreement involving the executive branch, the legislative branch, and society. And if that fails, he has a series of extraordinary measures which he prefers not to discuss so as to avoid speculation.

And what is likely to happen to the greatly debilitated wages of Brazilian men and women during the 1990's? Free negotiation may return to fashion—it is the adjustment mechanism mentioned most often by the economic magicians in the various parties. But most of those who support it do not rule out the possibility of state intervention or supervision in connection with that process, chiefly when it comes to setting the minimum wage. The PL, more radical, wants the government to be as far removed from those negotiations as possible. On the other hand, Roberto Freire's Brazilian Communist Party (PCB) supports the idea of an indexing system for monthly wage correction. One hopes that this will not take the form of the Price Reference Unit (URP) of such sad memory, which corrected wages after a 3-month delay. Pointing out that 47 million wage earners earn less than five times the minimum wage—including 28 million with a monthly income of less than twice the minimum wage—and therefore have less bargaining power, Luciano Coutinho of the PMDB epitomizes the position of his colleagues.

Consensus on Foreign Debt: Hard Line in Negotiations

They are proposing direct negotiation for those in the highest income brackets and automatic indexing for those in the lowest, with the residue going to those in the middle-income brackets. They all say they are interested in promoting a real increase in wages under the next administration—something that the worker has been hoping for through a great many administrations.

But before guaranteeing better wages, the next president and his economic team will have to plug the biggest hole in Brazil's economy: the public deficit. That means the government's debt, which totals $170 billion (50 percent more than the foreign debt) and is the equivalent of 50 percent of GDP. Of that amount, $90 billion represents the amount owed by the Treasury, government enterprises, states, and municipalities to international banks. The rest is owed to the securities market, banks, and suppliers. Where is it going to find enough sand—or more precisely, enough money—to plug that hole? The economic intelligentsia in the parties are unanimous on that point: Spending must be cut by eliminating, suspending, or revising (with the greatest rigor) all subsidies, incentives, and tax exemptions. That means stopping the flow of public funds to the private sector. It is what Aloizio Mercadante Oliva, the adviser to Luiz Ignacio Lula da Silva, calls the process of deprivatizing the state. With rare exceptions, all the other experts think the opposite: They believe it is necessary to privatize as many government-managed enterprises as possible, the only exceptions being strategic sectors such as energy, petroleum, health, and social welfare, among others. But the enterprises that are sold off will have to be absorbed by the private sector—or partners—with no subsidies and at a fair price. "What we cannot have is a giveaway of government enterprises disguised as a sale," emphasizes Municipal Councilor Tito Ryff, who is on Leonel Brizola's staff. But the one who gives a new twist to the subject is electronics engineer Carlos Alberto Torres (not to be confused with the captain of the three-time winners of the World Cup in 1970), who is coordinating Communist Roberto Freire's campaign: "Socialism and nationalization are not the same thing," he says. But he emphasizes that competitiveness will have to permeate the entire economy.

What is most interesting is that the possible future ministers are prepared to make cuts in the very machinery that they may be a part of next year: Almost all of them support a reduction in the number of ministries and the elimination of nonstrategic federal agencies. The PMDB's advisers are calling for an across-the-board merger of the ministries, which would then oversee state councils. For example, the Superministry of Economy would oversee the State Councils of Finance, Planning, Technology, Industry and Commerce, Treasury, and Agriculture. Tito Ryff of the PDT asserts, however, that the elimination of ministries will not necessarily mean lower expenditures. As far as he is concerned, the essential thing is that there should be a thorough administrative reform. And that will have a direct effect on the civil service. Everyone emphasizes that there must be stricter rules for access to a career in government, an end to the perks of office and the duplication of functions and jobs, and a firing of ghost employees. They recognize, however, that a policy of mass firings is not the most appropriate way to balance the state's finances, chiefly because there are constitutional impediments—the Constitution guarantees job security for all government employees with more than 5 years of service. And the PT points out that in Brazil, government employees account for less than 15 percent of the economically active population—less than in Sweden (31.8 percent), Great Britain (22.4 percent), the United States (16.7 percent), and the FRG (15.6 percent).

When it comes to the foreign debt—which is now in the neighborhood of $112.3 billion—there is a convergence of opinion: Brazil must negotiate to reduce not only the outstanding principal but also the interest. And to do that, the new rulers will have to be tough in their talks with international bankers. But Zelia Cardoso de Mello, who is a cousin of the PRN's Fernando Collor as well as his adviser, emphasizes that such behavior does not mean confrontation. "The debt will be paid, but the conditions and deadlines will be compatible with growth," she says. In other words, the net transfer of funds abroad due to debt service—currently on the order of 5 percent of GDP—will be prevented. Talk of a moratorium is avoided by all of them except the PT and the PCB, which say that we should suspend payment immediately and only then begin talks with the creditors.

The goal of all, whether men or parties, is the resumption of economic development. And according to the majority, that objective can only be achieved through an industrial policy favoring investments in strategic productive sectors. With that in mind, the ministerial hopefuls feel that it is essential to invest the greatest volume of funds in research and development for new and advanced technologies—fine chemicals, biotechnology, special alloys, noble materials (quartz), precision instruments, and so on. A protected market for some of those sectors is recommended. This would be similar to the protected market for data processing, but with definite goals and for specific periods of time, with periodic reevaluations. Many of them oppose the Export Processing Zones (ZPE's)—which Jose Serra, the adviser to presidential hopeful Mario Covas (PSDB), even says are unconstitutional. And they want to keep the Industrial Development Council (CDI) from becoming a large bureaucracy operating in favor of the multinational firms.

Development is also to be stimulated by the funds which domestic businessmen currently prefer to place in the very wealthy financial market or in banks abroad. It is estimated that about $140 billion are circulating in the short-term market or resting in the vaults of international banks. The possible ministers of economy of the future want more control and supervision of the financial market, chiefly in order to prevent uncontrolled speculation and the flight of capital. Francisco Dornelles, who is part of the group supporting the Liberal Front Party (PFL) candidate, Aureliano Chaves, recalls that at the start of the New Republic (when he was minister of finance), studies were made concerning more effective legislation for punishing financial crimes—that is, the much-talked-about white-collar crime. "That law is still sitting in a drawer at the Central Bank," Dornelles complains. It remains to be seen whether the new administrations will want to open up that "dead file."

On the eve of European economic unification, which will take place begining in 1992, no one fails to recognize that for its part, Brazil must become integrated with Latin America. And that means participating in the internationalization of the economy, as has been happening in the rest of the world. Two advisers to presidential hopefuls—Paulo Guedes (PL) and Miguel Colasuonno (PDS)—feel that the country should give foreign capital broad freedom without prejudice. "The important thing is that those investments should come here to create jobs and that their profits should be reinvested in Brazil," says Colasuonno, who is adviser to Paulo Maluf. The others are more cautious about opening up the economy to dollars, yen, francs, and Deutsche marks, among other strong currencies. They feel that foreign capital should be welcomed when invested in partnerships, but surrounded with a few guarantees to protect domestic businessmen—for example, in the areas of technology transfer and profit remittances. "It is not an unrestricted opening up, but one based on principles of reciprocity in keeping with the importance of each sector," emphasizes Jose Serra of the PSDB.

Following the decade of "Brazil the world power" and "Brazil the country of inflation," the advisers and their candidates, having been scalded by the consequences of previous policies, distrust the grandiose projects once used to sell the image of pseudodevelopment. They prefer to reevaluate the projects underway—and here opinions differ as to whether to keep or close down such programs as Proalcool, nuclear power plants, large hydroelectric plants, the North-South Railroad, and so on—and to establish a program of priorities for sustaining growth. "New projects will depend on the economic results achieved through anti-inflationary measures." That is the cautious view expressed by the PDS' advisers.

While inflation casts its shadow over the presidential hopefuls, their advisers are putting the finishing touches on the economic programs of the candidates in the presidential race. Many of them prefer to speak in their own name, examples being Francisco Dornelles, Luciano Coutinho, Jose Serra, and Paulo Guedes. The other personify their party platforms. But there is no doubt that each will have had a hand in the economic platforms finally presented to the voters by the presidential hopefuls. It remains to be seen which one will win the prize: a superministry in charge of a chaotic economy.

Biographic Data on Possible Ministers

Zelia Cardoso de Mello, PRN (Collor de Mello)

Age: 35 years. An economist with a doctorate from the Economic Research Institute Foundation (FIPE) of Sao Paulo University (USP). A professor in the Department of Economics at the USP since 1977. She is the head of ZLC Consultants, an economic consulting firm in Sao Paulo. Former director of the Sao Paulo Housing Development Company (in the Montoro administration). She was secretary for financial oversight of the public sector in the Ministry of Finance under former Minister Dilson Funaro during the time when the Cruzado Plan was being implemented. She is responsible for the economic section of candidate Fernando Collor de Mello's program for government.

Memorable quote: "If necessary, we will draw up an emergency plan capable of dealing with the problem of inflation within the first few months after taking office."

Tito Ryff, PDT (Leonel Brizola)

Age: 45 years. An economist trained at Paris University (France), where he obtained a master's degree. He specialized in agricultural economics at Oxford University (Great Britain). He has been chairman of the Union of Economists of Rio de Janeiro and the Regional Council on Economics (Corecon). A former municipal secretary of planning for the Municipality of Rio de Janeiro (under Saturnino Braga), he has taught at the Fluminense Federal University (UFF), the Getulio Vargas Foundation (FGV), the Candido Mendes School, and the Pontifical Catholic University (PUC). A member of the PDT for 5 years, he was elected municipal councilor in 1988 and is currently chairman of the Standing Committee on Finance, Budget, and Financial Supervision of the Rio de Janeiro Municipal Council. A member of the PDT's Regional Executive Committee, he has represented the party at several meetings by the Committee on Economic Affairs of the Socialist International.

Memorable quote: "Foreign capital contributes to the country's development when it complements domestic savings."

Aloizio Mercadante Oliva, PT (Luiz Ignacio Lula da Silva)

Age: 35 years. An economist trained at Sao Paulo University (USP) with a master's degree from Campinas State University (Unicamp), where he currently teaches. He once headed the Department of Economics at the Pontifical Catholic University (PUC) in Sao Paulo. Deputy chairman of the National Association of Higher Education Teachers (ANDES). He was coordinator of the Ecumenical Center of Documentation and Information (CEDI), a nongovernmental and nonpartisan organization which advises social movements and the church, but was given a leave of absence after he joined the team preparing Luiz Ignacio Lula da Silva's program for government. He has been economic adviser to the United Federation of Workers (CUT) since the latter was founded in 1983. He is a member of the national leadership of the Workers Party, which he helped to found.

Memorable quote: "The state must be deprivatized by combating the mechanisms which give large groups control over public funds."

Jose Serra, PSDB (Mario Covas)

Age: 47 years. An economist with master's degrees from Chile and the United States, where he earned a doctorate from Cornell University and taught at Princeton University. He was exiled in 1964, when he was chairman of the National Union of Students (UNE), thus interrupting his education to become an engineer. Returning to Brazil in 1978, he took a job as professor at Campinas State University (Unicamp). A former secretary of economy and planning for Sao Paulo State (in the Montoro administration), he coordinated the program for the president elected by the Electoral College, Tancredo Neves. Elected federal deputy for the PMDB in 1986, he was rapporteur for the Committee on Taxes, Budget, and Finance of the National Constituent Assembly. A member of the PMDB since 1978, he left that party at the end of last year to establish the Brazilian Social Democracy Party (PSDB), of which he is regional chairman in Sao Paulo.

Memorable quote: "Free negotiation cannot be entirely separated from government action; there must be supervised freedom (although that is a worn-out term)."

Miguel Colasuonno, PDS (Paulo Maluf)

Age: 50 years. An economist, former chairman of the Union of Economists and the Organization of Economists of Sao Paulo, and a former member of the Regional Council on Economics (Corecon). He has been chairman of the Technical Council of the Brazilian Education Society in Rio de Janeiro and a member of the board of directors of the Economic Research Institute Foundation of Sao Paulo University (FIPE/USP). A former mayor and state secretary of planning in Sao Paulo (in the Laudo Natel administration), he coordinated the Special Projects of the Secretariat of Planning of the Office of the President during the Geisel administration. Formerly chairman of the Brazilian Tourism Company (Embratur). A businessman and a member of the PDS, he is currently one of Paulo Maluf's closest advisers.

Memorable quote: "No program for the development of projects in Brazil can survive unless the national and international business community's confidence in the political direction being taken by Brazil is restored."

Luciano Coutinho, PMDB (Ulysses Guimaraes)

Age: 41 years. An economist trained at the School of Economics of Sao Paulo University (USP), he has a master's degree from the Economic Research Institute Foundation (FIPE/USP) and a doctorate in economics from Cornell University in the United States. He has been a professor in the Department of Economics at Campinas State University (Unicamp) for 15 years. He is director of the Pedroso Horta Foundation (a research organization attached to the PMDB) and was secretary general of the Ministry of Science and Technology in the Sarney administration. Invited by Deputy Ulysses Guimaraes to act as his economic adviser, Coutinho joined what was then the Brazilian Democratic Movement (MDB) in 1976. Since then, he has remained loyal to the party—now the PMDB—and to the deputy. During the 1978 election campaign, he participated in drawing up the first major PMDB document in support of political relaxation ("Amnesty and Constituent Assembly").

Memorable quote: "We must reduce those chunks of the state apparatus which have no strategic value... eliminate or reform them."

Paulo Guedes, PL (Guilherme Afif)

Age: 39 years. An economist, he was trained at the Federal University of Minas Gerais (UFMG) and earned a master's degree from the Getulio Vargas Foundation (FGV) and a doctorate from the University of Chicago in the United States. Executive director of the Pactual Bank and deputy chairman of the Brazilian Capital Market Institute (IBMEC). During the Sarney administration, he was invited to occupy a director's seat at the Central Bank and was even sounded out with a view to his becoming chairman of that bank. He was recently considered for the post of minister of finance. He has taught economics at the Pontifical Catholic University (PUC) and the FGV in Rio de Janeiro. He was part of the team at the Institute of Pure and Applied Mathematics (IMPA), an agency attached to the government. He has no party affiliation but coordinates the team of economists that drew up the economic stabilization plan in candidate Guilherme Afif Domingos' program for government.

Memorable quote: "Our creditors are improvident bankers who lent money to incompetent governments. If they don't want to grow with us, let them take what has been left by the previous governments: 30 percent of the value of the debt."

Francisco Dornelles, PFL (Aureliano Chaves)

Age: 54 years. A lawyer with a master's degree and doctorate in financial law from the Federal University of Rio de Janeiro (UFRJ), he was trained in public finance at Nancy University (France) and in international taxation at Harvard University (United States). He is a professor of financial law at the UFRJ and of public finance at the Getulio Vargas Foundation (FGV). A former attorney general and minister of finance (in the Sarney administration) and a former secretary of the Federal Revenue Office. He is a member of the UN group of experts on tax agreements and a former chief of the International Advisory Staff of the Ministry of Finance. He was elected federal deputy for the PFL in 1986 (1 year after joining the party) and was chairman of the Committee on Taxes, Budget, and Finance of the National Constituent Assembly. He is currently chairman of the Finance Committee in the Chamber of Deputies.

Memorable quote: "The most effective instrument for controlling interest rates is less government presence in the credit market."

Carlos Alberto Torres, PCB (Roberto Freire)

Age: 43 years. An electronics engineer trained at the Federal University of Rio de Janeiro, with a master's degree in production administration from the Coordination Board of Postgraduate Programs in Engineering (COPPE/UFRJ). He has taught in the Department of Administration at Brasilia University (UnB) since 1975. He currently works as an engineer for Eletronorte [Northern Electric Power Plants] in Brasilia. A member of the Brazilian Communist Party for 22 years, he was a candidate to represent the Federal District in the Senate in 1986. A member of the National Executive Committee and chairman of the Regional Executive Committee, he advises the PCB bloc in the Chamber of Deputies. He is responsible for the coordination of candidate Roberto Freire's program for government.

Memorable quote: "We must make a creative impact through a new scientific and technological policy, without which Brazil will have no destiny of its own in the 21st century."

* Sarney Admits Inability To Bail Out Petrobras

33420087a Rio de Janeiro O GLOBO in Portuguese 18 Aug 89 p 17

[Report by Lucia Toribio]

[Text] Campos—"If the president should decide to end the Petrobras crisis, he wouldn't be able to. Our remedies have been reduced to zero. The president doesn't have any power at all." This was the admission President Jose Sarney made yesterday during his visit to the Campos oil-bearing basin after inaugurating Polo Nordeste [Northeast Hub] at the Pargo I drilling platform.

The president left the Campos basin yesterday bearing two proposals which, according to Petrobras President Carlos Sant'Anna, are the only ones that could prevent the government corporation from certain strangulation by the end of this year. One would be a provisional measure requiring the National Treasury to cover the loss generated by the imbalance between the cost of petroleum and the sale price of the fuels. The other would mean restoring the prices of petroleum derivatives via monthly price increases equivalent to inflation, plus 3 percent. Without these immediate aids Petrobras will, according to Sant'Anna, be forced to choose as early as 1990 between gasoline rationing and a cutback in investments.

The dramatic diagnosis and the "bold proposals," as Sant'Anna himself characterized them, surprised Sarney and transformed what was to have been yet another celebration of government achievements into an awkward meeting between technical staff and officials, brought face to face with the reality of "bitterness and crises" described by Sant'Anna.

Sarney took with him to the ribbon-cutting ceremony—three times postponed because of crises in the administration—a speech he had prepared defending the government monopoly in exploitation of petroleum, concluding that there never was any hyperinflation, and guaranteeing that his administration would not "lay a glove" on Petrobras, "sacred symbol of the history of the Brazilian people." However, after seeing Sant'Anna's report, he was forced to abandon his prepared text, declare himself powerless to resolve the company's crisis, and blame the Constitution for weakening and breaking up his authority and "putting the state in a strait-jacket."

The president did, however, agree to a reformulation of the price structure, although he doesn't want to take the blame for the increases. Which means that: "Sarney is going to raise the gasoline price. But Petrobras is the one that will have to make society understand that the product has a real cost and that the benefit of the subsidy on fuels prices may have a downside—international enslavement," the president said.

Goal of 1997 Self-Sufficiency Threatened

With a cash shortage of $742 million (Cz1.87 billion at the official exchange rate) and a forecast that the figure will reach a record $1 billion (Cz2.52 billion) by the end of the year—even with price adjustments that would guarantee an increase of 3 percent above the rate of inflation for 6 months—Petrobras is in danger of having to abandon its goal of self-sufficiency in petroleum production and retreat, in the near future, to the situation that existed at the beginning of the 1970's in terms of dependence on imported petroleum.

That was the outlook that Carlos Sant'Anna, president of Petrobras, described to President Sarney during the official ceremonies at Polo Nordeste in the oil-bearing Campos basin. According to company experts, this is the last project that adhered to its pre-established timetables, and this was because it was executed in 1988. Polo Nordeste, with seven drilling platforms, has been operating since December of last year and is already producing about 60,000 barrels of crude oil per day. But its total production capacity—105,000 barrels/day, initially planned to be available in 1993—may never be attained. According to Sant'Anna, the lack of investment funds has already compromised not only Polo Nordeste, but all the goals set by the company, including the aim of achieving self-sufficiency in petroleum in 1997.

A chart exhibited by Carlos Sant'Anna shows that in 1981, Petrobras invested $4 billion (Cz10 billion); investments for 1989 were initially projected at $3 billion (Cz7.5 billion). This was reduced in April to $1.6 billion (Cz4 billion), of which only 70 percent has actually been released. There are no prospects for new funds between now and December.

Without direct intervention by the National Treasury, which Sant'Anna hopes can be arranged by Sarney through a provisional measure, Petrobras will have to rescind contracts with contractors and, unless investments are totally suspended, the company would probably work with international equipment and services—which cost less.

Reserve Is 309 Million Barrels

Polo Nordeste in the Campos Basin is Petrobras' latest major undertaking, and is now the final stages of completion. Composed of the Carapeba, Pargo and Vermelho fields, the reserves at Polo Nordeste amount to 309 million barrels of petroleum, appraised at $5.6 billion (z3.7 billion at the official exchange rate), plus 1.4 billion cubic meters of natural gas.

The project, which has consumed investments of $1.48 billion (Cz3.6 billion) over the past 5 years, is a landmark in Brazilian technological progress in production of petroleum at sea, the government corporation's technicians who conceived the project boast. The seven fixed platforms are the first to be fully designed and built in Brazil. Their index of national content exceeds 98 percent, according to Alfeu Valenca, Petrobras production superintendent.

The complex is situated on the northern coast of Rio de Janeiro State and the fields lie at depths ranging from 80 to 100 meters. Forecasts are that production, now 57,000 barrels/day, will be 90,000 barrels/day by the end of the year, when Brazil's total petroleum production will reach 700,000 barrels/day.

In 1993 when the project is ready—that is, with all 120 wells in operation—the complex will achieve a daily output of 105,100 barrels of crude and 454,000 cubic meters of natural gas. President Jose Sarney inaugurated Polo Nordeste 7 months late, since the first well came into operation in December of last year.

* Air Force Confirms Test Site in Para

33420087b Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Aug 89 p A4

[Text] A letter from Aeronautics Minister Octavio Moreira Lima to Federal Deputy Gerson Peres (PDS-PA) [Social Democratic Party congressman from Para State] has confirmed the existence of an Armed Forces test field in the Cachimbo mountain range, in southeastern Para State. According to the minister, the area was reserved for installation of the complex on 7 March 1978, by presidential decree No 83,240. The first facilities were inaugurated in November 1987.

The deputy's request was prompted by a report that was published last January by the British magazine SOUTH. The item increased the speculation about the probable existence of a nuclear test field in the Cachimbo hills. Speculation started in 1987, when the National Commission for Nuclear Energy (CNEN) attempted to ship radioactive waste from Goiania to Cachimbo.

Last May, during a meeting in Manaus of the eight presidents who are parties to the Amazon cooperation treaty, President Jose Sarney, in speaking to FOLHA, denied that there was anything more at Cachimbo than a landing field and some aids to air navigation maintained by the Ministry of Aeronautics. In the letter to Peres, however, Moreira Lima states that adjacent to the Col Haroldo Velloso Flight Protection Department of Cachimbo is a test field "intended for testing and experiments of interest to the Ministry of Aeronautics."

In the 10th of 11 points in the letter, he states that "before establishing the test field, the area was exhaustively studied in terms of its climate, flora, fauna, soil, subsoil, and population, in order to disturb as little as possible its ecosystem and to forestall military construction in areas that are rich in mineral resources." In the next point, the minister states that the field is maintained for tests of "conventional weapons" developed by the Aeronautical [as published] Technical Center (CTA).

Attorney Luis Igrejas of Nuclear Industries of Brasil, S.A., (INB), a firm associated with the CNEN, has been in Belem for 2 years, pressuring the state deputies not to approve during the first and second round of the drafting of the state constitution two articles that would prohibit nuclear energy activities in Para.

The reporter on the constitution project, Deputy Zeno Veloso (PDS), met with Igrejas yesterday and said that the attorney came to Para as a spokesman for the CNEN lobby (connected with the National Defense Secretariat of the Office of the Presidency of Brazil—Saden). Igrejas is supposed to have said that "if the states approve measures that prohibit the storage of radioactive waste, it will not be feasible to carry out national nuclear energy policy."

Igrejas denies any lobbying and says he is "only trying to show the deputies that the text of the draft conflicts with the Federal Constitution." He says that, according to Article 22, Section 26 of the Constitution, "authority to legislate on nuclear energy activities of any type is reserved to the Union."

FOLHA Published Report in 1986

In August 1986 FOLHA published an exclusive report stating that underground facilities were being built in the Cachimbo mountains (in southeastern Para State, near the border with Mato Grosso) for use in various kinds of nuclear testing and for storing the atomic waste from nuclear power plants. The area was acquired by the Armed Forces during the 1970's to use as a war materiel testing ground. The report said that an initial well had already been constructed the month before.

Cachimbo was the first major revelation concerning the nuclear program being carried out by the military, parallel to the official agreement with Germany. In December 1986, FOLHA disclosed in another exclusive story that the CNEN had a secret fund in Banco do Brasil to pay for the parallel nuclear program.

The Armed Forces General Staff (EMFA) admitted at the time that construction was going on in the Cachimbo hills for "testing of material and equipment to develop aerospace capability, in the interests of national security," according to an official note sent to FOLHA by Planalto Palace and by EMFA, signed by Adm Jose Maria do Amaral Oliveira, minister of state/chief of EMFA. However, the letter denied the presence of underground structures for nuclear testing at Cachimbo. In the document, the minister noted that Brazil had signed the Treaty of Tlatelolco—for the prohibition of nuclear weapons in Latin America, signed by 21 Latin American countries on 14 February 1967—in which it promised to use nuclear energy only for peaceful purposes.

The possibility of Brazil's using nuclear energy for nonpeaceful purposes attracted international attention. At the time, the Minister of Foreign Affairs of The Netherlands—a signatory country to the nuclear nonproliferation treaty—asked the Dutch embassy in Brasilia for a report on the stories published by FOLHA. The Argentine Government treated the news as a national security matter.

* Libya Seeks To Expand Trade Relations

33420087c Sao Paulo GAZETA MERCANTIL in Portuguese 15 Aug 89 p 15

[Report by Sergio Danilo]

[Text] Brazil could become a trading partner of the Libyan Socialist Community, carry out joint projects in the mineral area, and do prospecting in that country's soil, according to what Mohammed Matri, chief of a delegation which arrived last week in Brazil told this newspaper. "Libya is investing $5 billion this year in an internal development plan in an attempt to create a new agricultural and industrial development province, in the southern part of the country along the border with Chad and the Sudan," Matri said.

The trade mission, considered highly important for relations between the two countries, is composed of the secretaries (which have the same rank as regional ministers) of planning and mining, education, culture and training, agriculture, and commerce and industry. All of them represent the people's committees, and have been charged with expanding Brazil's trade relations with Libya, starting in the second half of this year.

In mining, Libya maintains a formal services agreement with the Brazilian state company Cia. de Pesquisa e Recursos Minerais (CPRM) [Mineral Resources Prospecting Company]. Early in the 1980's, the firm discovered important mineral reserves of coal, basic metals, and uranium in the south of that country. "The mineral prospecting organizations in Libya would like to increase the presence of the Brazilian firm in Libyan territory, especially in new underground water drilling projects," said the Libyan representative.

Libya's 3-year plans for the 1990's will require investments in excess of $50 billion in various internal projects. "Libya is a consumer society, with 3 million people and an area of 1,775,500 sq km, and has a number of regional development sites that are going to need services from Brazilian firms. They would work in areas ranging from the metropolitan regions of Tripoli, Benghazi, Zawiya, to Sarir Tibisti, the new development region being created in the south of Libya, where new mining and agricultural projects will be set up," he said.

The Libyan delegation is visiting companies that are active in construction, geological services, mineral exploration, agricultural projects, manufacture of equipment for the food industry, specialized construction, highways, and personnel training firms.

According to Matri, who visited CPRM last Friday, the new southern complex is attracting firms from West Germany, France, Austria, Yugoslavia, Turkey, Greece, India, The Netherlands, North Korea, China, Cuba, and most recently, despite the political differences. [as published]

* CNEN Tries To Change State Constitution

33420087d Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Aug 89 p 21

[Text] Belem—the National Commission for Nuclear Energy (CNEN) is trying to convince the state deputies of Para State to exclude from the state constitution an article approved by the systematization committee that would prohibit the construction, storage, or transportation of nuclear weapons in that state, and ban the use of Para's territory for storage of atomic waste, or nuclear experiments conducted for war-related purposes.

The attempt by CNEN is being made through Nuclear Industries of Brasil, the company formerly known as Nuclebras, whose attorney Luis Igrejas says that the concern is to prevent a conflict of rules regarding nuclear energy activities because, according to him,, the article is unconstitutional. Igrejas said the company is only anxious to alert the various members of the state constituent assembly. He has visited several states to discuss the matter, but denied that his effort is at all related to the possibility that the federal government is using the Cachimbo mountain base in southern Para State as a site for nuclear testing or storage of atomic waste.

Chile

Clandestine Group Attacks Carabineros Garrison

PY1509220689 Madrid EFE in Spanish 1443 GMT 15 Sep 89

[Text] Santiago, 15 Sep (EFE)—The Chilean press reported today that a clandestine group attacked a Carabineros garrison in the town of Talcahuano last night.

The Santiago daily LAS ULTIMAS NOTICIAS has reported that the attack took place at 0030 in Talcahuano, 531 km south of Santiago, and that it was conducted by alleged members of the so-called "Lautaro Rebel and Popular Forces," one of the most active Chilean terrorist groups.

Colonel Ramon Valverde Peralta, chief of the Talcahuano Carabineros, reported that two men an a woman carried out the attack from a hill some 100 meters from the garrison, in the workers' section of town.

The terrorists attacked the garrison with M-16 rifles and bombs but were repelled by the Carabineros on duty, Col Valverde reported.

The officer added that the attackers escaped in a taxi they had stolen in the nearby town of Concepcion. The attackers later abandoned the car after having tied and gagged its owner.

The bullets and bombs damaged the front of the Carabineros building.

Col Valverde said the attack was similar to the one carried out against another Carabineros garrison in Talcahuano in May.

Carabineros Disperse Demonstrators in Santiago

PY1509202889 Santiago Radio Chilena Network in Spanish 1700 GMT 15 Sep 89

[Excerpts] At least one person was arrested a few minutes ago when Carabineros forces dispersed a group of CUT [Central Labor Union] workers who were marching along Ahumada Promenade toward the court building. It was reported that the arrested person is CUT executive board member Miguel Gonzalez. The marchers were led by CUT president Diego Olivares. They wanted to hand a letter to the president of the Supreme Court, asking the courts to make a decision on the situation of Manuel Bustos and Arturo Martinez, who today completed 1 year of banishment. When the marchers reached Moneda Street, a Carabineros officer ordered them to stop. [passage omitted]

An argument between the marchers and the Carabineros officer ensued and the Carabineros forces used watercannons and tear gas grenades to disperse the marchers. Olivares and CUT executive committee members, however, continued to march despite the fact that they were wet and that their eyes were affected by the gas. Olivares said that when they arrived at the court building they were practically pushed through the door by a powerful watercannon. [passage omitted]

Carabineros Find Arms Cache in Santiago

PY1509023089 Santiago Domestic Service in Spanish 2300 GMT 14 Sep 89

[Text] Carabineros Director General Rodolfo Stange has confirmed that Carabineros personnel have found an arms cache during a raid on a home in Estacion Central District. The raid was conducted by personnel of the Special Police Operations Group (GOPE) at a home at the corner of Tacna and Cuatro Oriente Streets. The cache did not consist of many weapons, but sawed-off guns, four revolvers, and some pistols were found. The investigation has just started, said Gen Stange, who added, I do not, therefore, want to go into more details.

He made these remarks after dedicating a dormitory in Children's Home No 2. Commenting on the dedication, Gen Stange said the home's buildings were old and in bad condition and that another dormitory was badly needed.

PCCh's Volodia Teitelboim on Extremism

PY1409233889 Santiago COSAS in Spanish 31 Aug 89 pp 28-30

["First Part" of interview with Volodia Teitelboim, secretary general of the Chilean Communist Party, by Angelica Arndt on 21 August 1989. Place not given]

[Excerpts] [Passage omitted] [Arndt] Do you believe it will be beneficial for the country if there is a dialogue between the opposition and the Armed Forces before the elections?
[Teitelboim] I believe a dialogue should be held between the opposition and the Armed Forces before the elections. I feel the dialogue is necessary to reach an agreement on the terms of the transition toward democracy. This is very important and I believe it should be held as soon as possible. [passage omitted]

[Arndt] What would be the "practical" objectives of senseless attacks by the Manuel Rodriguez Patriotic Front (FPMR) in this period of transition toward democracy?
[Teitelboim] I see no practical objectives in any attacks. In addition, I would like to say that the Communist Party of Chile [PCCh] has nothing to do with the attacks...

[Arndt] Many people wonder which attacks are by the Communists and which ones are made by the extreme right, because apparently the two extremes seem to have the same objective.
[Teitelboim] We have always supported the idea of putting an end to the dictatorship and reestablishing democracy and freedom. We definitely have nothing to do with the attacks by the extreme left of which you are talking about.

[Arndt] Why then the PCCh in its last congress advocated the popular revolution of the masses? (RPM).
[Teitelboim] Let me reiterate: We have nothing to do with that violence, we do not practice it. The popular rebellion of the masses is a political concept based on the idea that we will always oppose a military dictatorship and that we will always struggle for the reestablishment of freedom and democracy. "Rebellion," represents the point of view of the founding fathers of the church regarding the legitimate right of people to oppose an unbearable and prolonged tyranny. "Popular" means that it is not the work of a few but of an entire people...And "of the masses" because it is the will of the national majority. The rights of the people will not be respected if violence is used. Rights will be achieved through the will of the people. The idea that we want to provoke violence for the sake of violence is different from our real position.

[Arndt] How much power does the PCCh leadership have over the extreme elements of its party?
[Teitelboim] The PCCh is responsible for its militants. There is a single line and thought. Therefore, the idea of extreme forces within the PCCh is inexact. The extremists cannot remain within the PCCh.

[Arndt] Do you know anything about the Lautaro Front?
[Teitelboim] I have nothing to do with them! Absolutely nothing to do with them!

[Arndt] And do you disapprove the latest FPMR attack?
[Teitelboim] Those attacks are completely unacceptable, absurd and unnecessary in the cause of freedom and democracy, and the PCCh has nothing to do with them.

The PCCh is responsible for its militants. It is not responsible for those who are not members of the PCCh. Our line is the action of the masses, the unity of all the opposition forces, and our presidential candidate is Aylwin. We are very interested in his victory because it will represent the end of the dictatorship and a very important step ahead toward democracy. Ours is a party that people like to make fun of. False images convince many people but these images do not go along with reality. Our position is that of a democratic party which is intransigent in the defense of freedom and will never stop its struggle against dictatorial forces that seek to continue to control the country.

[Arndt] Let me ask you a straight question: Who do you believe is responsible for these attacks?
[Teitelboim] I suspect the security services are involved. Also some crazy people, the Pol Pot types, people

completely out of control and out of reality. They advocate violent methods which are self-defeating for the reestablishment of freedom and democracy.

[Arndt] But are you aware that these attacks are linked to the extreme right and the PCCh?
[Teitelboim] Under no circumstances are they linked to the PCCh. That is a lie...Do not blame the PCCh! The PCCh was even held responsible for the poisoned grapes!

[Arndt] During its last congress the PCCh condemned the use of violence.
[Teitelboim] Of course. That was made quite clear. The resolutions reached during the congress should be read carefully. Our policy of the masses is a way of working with all the people, and it also implies getting involved in the electoral campaign and arrangements for the elections. The RPM does not mean war or terrorism. It is a political concept, and its basic idea is that the people cannot accept the permanence of the dictatorship. It means they must struggle for freedom, for democracy, and for respect for the people's sovereignty and human rights. In other words, it is a perfectly legitimate and humanitarian platform that respects the individuals.

[Arndt] But it is a form of rebellion, a rebellion based on Marxist dialectic.
[Teitelboim] It is rebellion in the sense of not obeying, of not yielding to the dictatorship, of not believeing that one must bow and kneel before the dictatorship and tolerate it for ever. We have maintained this since 11 September 1973. We have never yeilded to the dictatorship, but that of course, has cost the people a great deal of sorrow. We did it out of dignity, for moral and even patriotic reasons, because we have always defended freedom and struggled for it. This is the meaning of our rebellious attitude.

As long as it for a just cause, the word rebellion has a noble meaning. Rebellion is justified by, among others, the fathers of the church, the UN Human Rights Charter, and the U.S. Constitution. The right to rebel is sacred and, what is more, was invoked by O'Higgins and Carrera so that Chile could be governed by Chileans and not by a foreign power. It has been justified for the past 1,000 years. It has a philosophical and a practical meaning for us, and it has high moral content.

[Arndt] Certain events lead the people to doubt your statement, especially lately. Many believe that is a high-level strategy devised by extremists. Why did the Communist Youths, Jose Sanfuentes, the MIR [Movement of the Revolutionary Left], and you, yourself, appear giving Patricio Aylwin a "bear hug"? Why did you adopt an attitude that, in the eyes of those who understand politics, will not help "your candidate" win?
[Teitelboim] I think you are completely mistaken, as are all those who think like you. Our strategy is to oust the dictatorship and restore democracy. Patricio Aylwin is the person who represents all those forces that desire the return of democracy. We support him unconditionally. I was his colleague for 4 years in the Chamber of Deputies and for 8 years in the Senate. I hadn't seen him for 16 years, when I met him by chance. There was no "bear hug." We shook hands as two educated people and that is when I confirmed—in a few words—the PCCh's support. If we voice our support, it is because it is no secret and we have nothing to feel ashamed about. If we make it public, it is because we want all those who identify with our party to know that Patricio Aylwin is our candidate and that we must support him and make every effort to ensure his victory. There will always be someone who believes we have more evil intentions. Even if we remain completely silent, there will always be those who assert that Aylwin is the candidate of the extreme left. All his life Aylwin has been a genuine Christian Democrat and has never had anything to do with the extreme left. That is why I believe that this is an obviously biased charge, made by those who are lying and scheming to change the course of events and prevent a development predicted by the polls: that the winner on 14 December will, most probably, be Patricio Aylwin. They are making every desperate effort to prevent his victory, through any means. Any Machiavellian means is good enough, and anti-Communism—the traditional weapon of all those who have used the dictatorship for the past 16 years to perpetrate all sorts of excesses against the country—is used once again. This will always be the case, no matter how silent we remain.

Almeyda Returns From Medical Treatment in GDR

PY1509164289 Madrid EFE in Spanish 0455 GMT 15 Sep 89

[Excerpt] Santiago, 14 Sep (EFE)—Clodomiro Almeyda, a Socialist leader and former Chilean foreign minister, today returned to Chile after spending 3 months in the GDR where he underwent medical treatment.

Almeyda, who is a leader of a faction of the Chilean Socialist Party, said upon his return that he will involve himself fully in the presidential and congressional campaign for the 14 December elections.

Almeyda added that he underwent medical treatment in East Berlin to resolve certain problems in his throat which constantly caused him to lose his voice. [passage omitted]

Socialist Newspaper Begins Publication

PY1409195889 Santiago CAUCE in Spanish 4 Sep 89 p 23

[Summary] The socialist monthly newspaper LAS NOTICIAS DE ULTIMA HORA hit the streets a few days ago. Its director is Victor Vaccaro.

Colombia

Explosives Experts Report on U.S. Embassy Attack

PA1909041389 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 19 Sep 89

[Text] Bogota police explosives experts confirmed tonight that the explosive device hurled against the U.S. Embassy on 17 September was a homemade device and that it could not have seriously damaged the structure of the building. The embassy has not issued any communique so far, and, although the embassy is very close to a police station, no one has been arrested. This is the third attack that has been staged against the U.S. Embassy in recent years.

Terrorists carried out this third attack against the U.S. Embassy with the use of a doorbell, a battery, and a steel pipe. The homemade mortar is 1.5 meters long and 1.5 inches in diameter. It had 200 grams of gunpowder inside and was activated by a doorbell switch used to propel it against the building. Apparently the mortar hit at an oblique angle, because it only scratched the wall. If it had hit flat against the wall, it would have exploded and opened a 10-cm hole. It would have also shattered the windows of buildings within a radius of 100 meters.

[Begin recording] [Unidentified reporter] Are you familiar with this device, or is it a new type?

[Unidentified policeman] It is new, but it is very basic.

[Reporter] How many persons were needed to shoot this device?

[Policeman] One person alone could have activated it. [end recording]

The mortar was found by the police at 2120 on Sunday, 17 September, on 39th Street, 30 meters from 7th Avenue and just 50 meters from a police station.

This is the third attack against the U.S. Embassy. On 6 November 1984, a car bomb exploded in front of the embassy. On 23 March 1988, terrorists used a rocket but failed to destroy the U.S. Embassy.

Arrest Warrants Issued for 2 Israeli Mercenaries

PA1909014589 Hamburg DPA in Spanish 2322 GMT 18 Sep 89

[Text] Bogota, 18 Sep (DPA)—Colombia's secret police reported that judicial authorities today issued a warrant for the arrest of Israeli mercenaries Ya'ir Klein and Arik Acek, accused of giving combat training to henchmen of the drug-trafficking mafias that operate in this country.

According to official spokesmen, the Colombian Government informed the security organizations of several countries of the world of the need to arrest these two persons, sought by a public order court for "collusion to commit a crime."

Klein, an Israeli Army reserve lieutenant colonel, was linked to the Colombian drug cartels a few weeks ago, after a U.S. television network broadcast film clips, showing the mercenary giving instructions to members of ultra-right paramilitary groups.

Investigations by the Administrative Department of Security (DAS)—the state's security corps—indicated that almost a year ago, several foreigners, including Israeli, British, U.S., and West German citizens, were in charge of training the ultra-right death squads.

These group, considered to be the "private army" of the Medellin Cartel, the largest organization for cocaine trafficking, had its own "schools," covering a vast region in middle Magdalena, in the interior of Colombia.

Klein's indictment as the instructor of the drug-traffickers' mercenaries has occurred as the Virgilio Barco administration is conducting a far-reaching offensive against the drug cartels, which have carried out several attacks in recent hours.

Klein, who is answering to Tel Aviv charges of "selling" military secrets of the Jewish state, has said that the Colombian Government was aware of his presence in that country, where, he insists, he gave security courses to persons in charge of protecting cattle and banana farms.

Despite the arrest warrant for Klein and Acek, Israeli Ambassaor to Colombia Gideon Tadmor stated yesterday during a radio interview that his government will not extradite any citizen to Colombia because there is no international agreement on extradition between the two countries.

The ultra-right paramilitary groups are held responsible for the murders of thousands of leftist political and labor leaders, teachers, university students, human rights activists, and others.

Bombs Explode in Bogota; Attackers Wounded

PA1909004989 Bogota Inravision Television Cadena 1 in Spanish 0028 GMT 19 Sep 89

[Text] This is a last-minute report: Two more explosions have taken place just a few minutes ago in Bogota. One bomb exploded in western Bogota, on Boyaca Avenue and Eldorado Avenue, while the other occurred at the telephone company substation in the Normandy neighborhood. A watchman fired shots at the time of the attack, and it is believed that the attackers, who are riding in a green Mazda, are wounded.

Wave of Rumors Increases Unrest in Major Cities

PA1809190989 Buenos Aires REUTER in Spanish 1414 GMT 18 Sep 89

[Text] Bogota, 18 Sep (REUTER)—A wave of rumors is spreading through Colombia every day, increasing the unrest among a people who are terrified by the upsurge of violence.

The bombs and violence have now been joined by "telephone terrorism," which alarms the people, especially in the more elegant sections of Bogota, where violence has so far not been truly widespread.

Even Colonel Nacim Diaz, commander of the metropolitan police, has acknowledged the existence of "an alarming phenomenon of misinformation" in the Colombian capital.

"Gossip and rumors are in full swing," he told the press, while asking the people to remain calm.

However, it is not easy to do this, when the declaration of war to the death declared by the powerful drug lords on 24 August in Medellin appears to be under way.

Over 40 bombs exploded in that city in the past 4 weeks. This weekend, Bogota was shaken by a wave of bombings and killings of policemen.

Newspaper and press agency newsrooms receive telephone calls asking for confirmation of rumors ranging from the kidnapping of the son of slain Liberal leader Luis Galan, to the arrest of one or another of the drug kingpins.

Rumors spread with the same speed as they change; they are spread from mouth to mouth and increase unrest.

Rumor spreading finds fertile ground because the police themselves have admitted that it is impossible to guarantee total safety.

On 16 September, Bogota's main shopping center was cleared because of a bomb threat. No bomb was found, but the climate does not invite shopping, either.

In this regard, a prominent real estate agent commented to REUTER that between the real violence and the wave of rumors, most foreigners have left the country.

"Business is disastrous. Most of my apartments have been left empty. Even the technicians from an airplane factory who were responsible for maintenance of a local airline's aircraft have left," the agent added.

A check with the city's main hotels revealed that there has been a drop of over 50 percent in occupancy rates in comparison with the usual rate for this time of year.

There has been a drastic decline in commercial activity in both Bogota and Medellin. Although there are no official figures, private estimates indicate that the decline is about 40 percent.

To restore calm in Bogota residents, the police have deployed troops in the street, as well as members of the military police, who patrol the city constantly.

It is not a sense of war that one feels, but rather one of tension.

"The people of Bogota should not let rumors upset them," Col Diaz said.

The people would like to believe him, but they fear that the wave of violence will shake the country for some time to come.

Authorities Arrest 52 ELN, EPL Rebels

PA1809171689 Bogota EL SIGLO in Spanish 15 Sep 89 pp 1-A, 7-A

[Text] Military and national police authorities dealt a decisive blow to the leftist guerrilla groups in Antioquoia and Meta Departments when they captured 52 members of the so-called "Popular Liberation Army" (EPL) and "Army of National Liberation" (ELN); and confiscated weapons, explosives, documents, and other items that are currently being investigated.

General Jose Gregorio Torres, commander of the 4th Brigade, announced that they had dismantled the terrorist network which was responsible for most of the dynamite attacks during the last 15 days on government offices, credit institutions, government vehicles, and businesses in the metropolitan area of Medellin and Valle del Aburra.

According to the official report, the band of terrorists was comprised of ELN members who were apparently hired by drug-trafficking groups.

The arrested persons were identified as Hector Hernando Benitez, aka "El Caleno;" Marleny de Socorro Giraldo, aka "Andrea;" Pablo Emilio Angarita Canas, aka "Pablo;" Amparo de Jesus Cortes, aka "La Negra;" Jose Dario Minisca, aka "Gilberto;" Leon Geovanni Garcia Ospina, aka "Carlos;" Jose Edison Restrepo Rodriguez, aka "Bronco;" Carlos Alvarez; John David Lopez Figueroa; Fernando Montoya Mira, aka "Fernando;" Blanca Nieves Alvarez Rincon; Astrid Helena Munoz, aka "Cecilia;" William de Jesus Balvino Alvarez, aka "El Enano;" Ivan Ochoa Correa; John Freddy Tuberquia, aka "El Indio;" Antonio Jaramillo, aka "El Perro;" Ruben Dario Munoz Granados, aka "Chester;" Norberto de Jesus Restrepo Rodriguez, aka "El Oso;" Claudia Patricia Arbelaez Cardenas, aka "Claudia;" Jorge Enrique Ortiz Velez, aka "El Muneco;" Ramon Antonio Sossa Posada, aka "Epifanio;" Rodrigo de Jesus Osorno Osorio, aka "El Hebreo;" Luz Aurelia Puyo Vasco, aka "Luz;" Fabio Augusto Gallego Duran, aka "La Llama;" Elkin Barrera Graciano, aka "John;" Carlos Mario Velez Orozco, aka "John;" Argemiro Cuadros, aka "Bombillo;" and Jose de Jesus David Arias, aka "Jose."

The prisoners had weapons, ammunition, explosives, radios, and documents that are important for military intelligence purposes.

The national police also reported that 24 alleged members of the self-stylex EPL were captured during an intelligence operation which was carried out in Meta Department for several months.

Colonel William Zapata, national police commander in Meta Department and the eastern flatlands, said that the operation which resulted in the apprehension of the EPL's 24-member "operations network" was carried out in Villavicencio and other municipalities.

Two Policemen Killed in Clash With FARC

PA1809155389 Bogota Radio Cadena Nacional in Spanish 1200 GMT 18 Sep 89

[Text] Bogota—Authorities have reported the deaths of two policemen and four guerrillas during clashes in Valle del Cauca and Antioquia Departments.

The first clash took place in the Ceilan area, in the jurisdiction of Bugalagrande in the central part of Valle del Cauca Department, when presumed guerrillas from the 21st FARC [Revolutionary Armed Forces of Colombia] Front attacked a police patrol. During the attack, policemen Orlando Rosero Erazo and Heriberto Pozo Romero were killed. The policemen killed one of their attackers.

* Mastermind of La Rochela Attack Named

33480254a Bogota EL TIEMPO in Spanish 6 Aug 89 pp 1A, 8A

[Text] This is, without a doubt, the most closely guarded judicial secret in a long time. And until recently, the findings that led to the solving of sinister mass murders—the crime of Jaime Pardo—or of the massacres at the rural estates of Honduras and La Negra, were always leaked to the public. In some cases, it was with the blessings of the House of Narino.

Perhaps for this reason, the team of judges investigating the murder of 12 judicial officials in La Rochela early this year has kept a tighter lid of secrecy than ever before on the progress of the investigation.

This is particularly true with regard to the identity of that tall black man who at noon on 18 January 1989 sowed terror and death among the two public order judges, two clerks, two drivers, and six members of the Judicial Police Technical Corps.

Aside from the fact that he was called Vladimir—the name the other members of the group of hired assassins called him that day—the country knew absolutely nothing about him.

These days, not even the two main state security agencies, the Administrative Department of Security (DAS) and F-2, have any detailed information.

Although the documents giving notice of the arrest warrants are on file in specialized offices of the two agencies, justice officials have declined to supply details.

EL TIEMPO has learned that a mere handful of Judicial Police agents assigned to the National Office of Criminal Investigations know for certain the real identity of Vladimir, the leader of the group of hired assassins who massacred the judicial commission.

Former Guerrilla

According to reports in the possession of justice officials, Vladimir's true name is Alonso de Jesus Baquero. He is a peasant from Antioquia who, according to an account he himself gave to a magazine in 1987, joined the ranks of the Revolutionary Armed Forces of Colombia (FARC) at the age of 11.

Thanks to the confessions he made to the Armed Forces to obtain a pardon, justice authorities now know that in mid-1980, when he was 18, he participated in the kidnapping of rancher Joaquin Castrillon, and later in the murder of one of the rancher's sons and five DAS agents who were trying to free him.

He began engaging in real guerrilla activities on Front IV of the FARC, and then became "Commander Alfredo" at the head of Front X of the guerrilla movement.

Around 1985 he was involved in a sentimental relationship with a guerrilla in the movement who, after refusing to give up her son, decided to desert and turn herself in to the authorities in Puerto Boyaca in mid-1986. Alonso de Jesus Baquero followed suit 3 months later.

The information the authorities have regarding the life led by the former guerrilla before he decided to surrender to the Armed Forces comes from the story he told various journalists and other government officials.

"Today we know," says an investigator," that he was even an important political leader among the peasants of the Magdalena Medio."

* Liberal Leader on Candidate Selection

33480252a Bogota CROMOS in Spanish 7 Aug 89 pp 22-23

[Interview with Saulo Arboleda, secretary general of the Liberal Party, by Yolanda Ruiz; date and place not given: "The Convention Will Decide Whether He Who Gets the Majority Will Be the Candidate"]

[Text] When 1,311 Liberal convention delegates approved the primary with the people and the ground rules for it, the country thought that the discussion of the issue was over. Everyone thought that the time to listen to ideas and programs had come...but the truth is that the debate is just beginning. And who better to dispel doubts than Saulo Arboleda.

[CROMOS] What mechanism do you have to prevent people outside the Liberal Party from taking part?
[Arboleda] The rules for the primary provide that the total vote in the primary cannot exceed by more than 5 percent the maximum list that is submitted to collegiate bodies in the respective electoral precinct. Moreover, I am fully convinced that the country's political forces are totally respectable and are not going to intervene, just as

the six presidential hopefuls are respectable, and I can therefore assert with complete assurance that none of them is going to benefit from fraudulent votes. The head of the party himself, Julio Cesar Turbay, indicated that it would be very easy to tell which candidate is getting votes from other parties, and the convention could indicate who is to blame.

[CROMOS] Is it a legitimate vote when the ballot includes the name of a Conservative member of Congress and a Liberal seeking the nomination?

[Arboleda] Yes, it is valid. There is no way to control this at the time of the vote. The purpose of the 5 percent provision is to neutralize the effect afterwards.

[CROMOS] How effective can the 5 percent provision be when the percentages actually remain the same?

[Arboleda] That's true. The percentages of each candidate remain the same, and therefore the distortion remains. This is why we have clearly stated that the 5 percent provision is designed to neutralize the meddling of other forces, but it cannot eliminate it completely. The provision as it stands is not perfect, but it is the least imperfect and at least helps to reduce the vote to the actual number of Liberal voters. This is not enough, though, which is why there are other methods that complement this mathematical mechanism. Here is where the work of the convention comes in, as it is going to identify who made use of votes from other parties.

[CROMOS] And how will the convention be able to prove who engaged in fraud and who did not?

[Arboleda] It's going to be very easy to prove that, because the result is going to be looked at by regions. So it won't be complicated to tell how many votes each candidate is capable of getting. Let's suppose that candidate X is strong in Medellin but not in Pereira. Simple political instinct will tell one that if that candidate suddenly gets an overwhelmingly large vote in Pereira, the balloting is distorted. It can't be proven mathematically, but it does become a political fact that the convention itself is going to see it is rejected.

[CROMOS] This is not in the regulations. Isn't this too subjective a mechanism?

[Arboleda] These are subjective mechanisms, true, in the sense that they cannot be verified, but they are objective from a political standpoint because we must not forget that the primary is a mechanism that the party convention has to ratify, because ultimately the convention decides who the candidate is. Therefore, the convention will be able to analyze and judge whether the person who gets a majority deserves the nomination.

[CROMOS] Even if he gets an absolute majority?

[Arboleda] If it is an absolute majority with votes from other parties, the national convention will have an opportunity to analyze whether these votes did or did not come from other parties and to make the appropriate decision.

[CROMOS] So what sense does it make to have a primary if, as it seems, no one can get more votes than are already counted in his column?

[Arboleda] It is an auxiliary mechanism that is going to give the convention reference points for selecting the candidate. This must be made very clear, because the bylaws provide that the power to choose a presidential candidate lies with the party's highest authority, which is the convention.

[CROMOS] Many Conservatives are saying that the real presidential election is going to be the selection of the Liberal candidate and, therefore, that they are going to take part.

[Arboleda] In that case there could be votes for all of the hopefuls. And who's to say that the proportion won't be the same as among Liberals.

[CROMOS] So it would be legitimate if the Conservatives voted for all of them but illegitimate if they opted for just one?

[Arboleda] It's not a question of being illegitimate or not. The point is that if there is a deliberate distortion involving one candidate, there are mathematical and political formulas for correcting this problem.

[CROMOS] And what happens if it is a political phenomenon, not fraud? What if a candidate, with his ideas and programs, succeeds in getting through to public opinion and gets votes fair and square that were not counted in his column?

[Arboleda] You can rest assured that if the convention sees that this is the desire of Liberal voters, it will accept him. The convention is not going to make a mistake. Moreover, the purpose of the 5 percent is actually to take public opinion into account. We know that the vote for president is by tradition larger than for collegiate bodies. This is why we are allowing this margin.

[CROMOS] Let's talk now about what happens after the primary. As things now stand, it seems quite unlikely that any one candidate is going to get an absolute majority. So might there be coalitions?

[Arboleda] Not only might there be, but I'm convinced that there will be coalitions.

[CROMOS] Fine, and in the event that a candidate who has 30 percent of the vote and another who has 25 percent join together and decide that one of them will run, would the feeling be that this one has a majority by himself, or will it be put to a vote anyway?

[Arboleda] The rules are very clear about this. Even if a coalition is formed, the convention has to take the matter up, precisely because mistakes are going to be corrected there. The convention cannot ratify; it is going to choose.

[CROMOS] Speaking of ratifying, there is talk that an agreement may be reached that the convention will nominate whoever gets a plurality....

[Arboleda] The convention has already approved the rules as they stand, and what they provide is not up for discussion: an absolute majority, and this is not subject to change. It's just that we Colombians are very given to speculation....

[CROMOS] If no one gets an absolute majority in the vote at the convention, the ground rules say that there will be a second ballot in which not only the candidates in the primary but others will be eligible. In that case could former President Turbay be a candidate?
[Arboleda] Any Colombian, not just the six hopefuls, can be a candidate. I don't know whether Dr Turbay will or will not be. He has repeatedly said that he is not going to run, and we have to believe him because he has always been a man of his word.

[CROMOS] And who can nominate a candidate?
[Arboleda] Any convention delegate could nominate one.

[CROMOS] The requirements being?
[Arboleda] Those that the constitution indicates. Besides, of course, being able to get one half plus one of the votes.

* Former Ecopetrol Head on Renegotiations

33480251 Bogota EL ESPECTADOR in Spanish 28 Jul 89 p 7A

[Interview with Francisco Chona Contreras, former Ecopetrol chairman, by Alonso Heredia Duran: "Chona Favors Revising Association Contracts"; date, place not given; first three paragraphs are introduction]

[Text] Bucaramanga—The former chairman of the Colombian Petroleum Enterprise (Ecopetrol), Francisco Chona Contreras, called on the government to revise the oil association contracts signed with multinationals in this sector.

In a conversation with EL ESPECTADOR, the expert reiterated his disagreement with the way the government is handling the Colombian Petroleum Enterprise, and expressed support for a public forum in which this policy could be debated extensively.

Chona, who attained the highest office in Ecopetrol after a long and meritorious career beginning at the bottom rung of the ladder, went into detail for the first time on the manner in which he was removed from the chairmanship of the enterprise.

Here are the highlights of the interview he granted this newspaper:

[EL ESPECTADOR] Do you favor revising the association contracts?

[Chona] When the so-called concession contracts were converted to association contracts, Colombia could not impose its own conditions. It needed capital and technology, and to that extent it was at the mercy of the multinationals. As I say, they imposed their own conditions at all times.

[EL ESPECTADOR] In other words, the country had no other alternative?

[Chona] That's right. We must bear in mind that the deposits were small at that time; but in June 1983 something totally unexpected occurred, leaving Colombia and the rest of the world perplexed: Cano Limon was discovered, with a billion barrels in reserves!

[EL ESPECTADOR] But do you favor revising the association contracts?

[Chona] Of course I do. A lot of people are scandalized and frightened when the subject of revision comes up; the foreign companies get all wrought up and express their fear of any changes in policy. It's as if the best Colombians were in the multinationals.

[EL ESPECTADOR] If we are studying the possibility of constitutional reform, why not revise a contract? Let's accept that mistakes were made, but there's still time to make improvements. I'm convinced that improvements can be made.

[Chona] I am putting forth and defending the idea that this association contract was drafted when Colombia had only small fields of no more than 20 million barrels. But now, with a billion barrels, my God! That's a lot of money, a lot of wealth, and it's not fair for a country with all the problems this one has to let all that immense wealth get away, exporting the way it is now, and enriching a few foreign companies that won the lottery.

Loyalty to the Country

[EL ESPECTADOR] Why are you taking that stand now?

[Chona] We have to be very loyal to the country and contribute very seriously to something that will stop this and make people realize that we must renegotiate. That must be said eventually, even if it sounds heretical. But someone will have to bring up the matter in Parliament or in the administration. This must be straightened out. The contract gives rise to situations like the one created by Occidental, which negotiated without the knowledge of the Colombian Government, for example, when it first sold 25 percent to Shell and then 12 percent to Repsol, the former Hispanoil.

[EL ESPECTADOR] But Dr Chona, you were in Ecopetrol when those negotiations were conducted....

[Chona] I was in the enterprise on both occasions, and Occidental never consulted or even informed Ecopetrol or the government. No, those were faits accomplis; they amounted to selling our national assets abroad. We must bear in mind as well that the association contract begins when the barrel is at the surface, and they sold the barrel underground. I believe that this is a legal matter that our attorneys must study carefully, whether these sales of national assets by Occidental were within the law. And if a mistake was made, why not correct it?

[EL ESPECTADOR] You have insisted that the government is not managing Ecopetrol properly. What is it doing wrong?

[Chona] In my opinion, the most serious problem Ecopetrol has today is that its hands are tied; it has lost its autonomy. Furthermore, there is a lot of confusion in the government regarding oil policy. The government doesn't know what to do right now. That's why it is going through all this chaos. The government must specify exactly what it wants.

[EL ESPECTADOR] In what way are Ecopetrol's hands tied?

[Chona] As you may recall, the finance minister issued the Budget Law, I think it's Law 35, which tied Ecopetrol's hands. In the first place, all profits must go to the National Treasury; secondly, both investment and expenditure budgets must be approved by an entity that was created, called the Fiscal Policy Council, comprising the finance minister, the chief of the National Planning Department, the man from the Monetary Board, and the president of the Bank of the Republic. This is very serious for Ecopetrol, extremely serious, because the government took away the autonomy of the executive board. Now it has nothing to do.

Why Did I Leave?

[EL ESPECTADOR] It has been said, in fact, that your departure from the chairmanship of Ecopetrol was due to the fact that you disagreed with the government's handling of the enterprise.

[Chona] Ecopetrol did not have comprehensive planning, so in my administration we established a large executive body of people from all the departments which studied models of corporate and strategic planning in major foreign firms. This group was formed in 1986, and in late 1987 it presented its first corporate plan, called "Plan Ecopetrol 2000."

Among many other projects, there were three basic ones: the Colombia oil pipeline, the refinery in the Magdalena Medio, and the gas pipeline from Villavicencio. Of these three, perhaps the oil pipeline will continue further; the others were abandoned, even though the basic engineering for the refinery was already approved, after 2 years and US $35 million. In other words, at the risk of serious damage to Ecopetrol's future plans and major financial losses, the government reversed plans that it had approved itself.

[EL ESPECTADOR] What explanation did it give?

[Chona] The reason was that it was not interested in oil, as its priority was the foreign debt.

[EL ESPECTADOR] What, then, was your position?

[Chona] I was defending bylaws that are the law of the Republic, and I could not deviate from them. When the finance minister demanded, for example, that I give him US $100 million for Fodex [Foreign Currency Fund], I had to tell him that I could not authorize such expenditures because that would violate the bylaws. Then came the reprimands, the confrontations, but I had to stand by my obligation and convince the president and his economic team that the government cannot destabilize Ecopetrol. Of course, the only solution they had was to kick me out, so they did.

They began immediately to make the transfers to Fodex, to decapitalize the enterprise, to halt all its programs that were already under way and had been approved by the president himself and his advisers.

Another matter is the lack of planning. Of course Ecopetrol has tremendous resources, and they should be used to solve the country's problems. But we found ourselves in situations such as the one in which we pledged to contribute 27 billion pesos to the Highway Plan within the rehabilitation programs. But from one moment to the next they told us that it wasn't 27 billion anymore, but 41 billion pesos. You can see that this is not the way to handle such matters.

Aside from that, we must bear in mind that last year Ecopetrol paid the government 173 billion pesos in taxes alone. This amounts to 32 percent of its gross earnings. It is my contention that the enterprise's resources should be aimed at helping to solve major problems, but it must be done in an orderly fashion, with serious planning.

I began having problems when I told the president that Ecopetrol doesn't belong to the government, but to the state. And indeed, the government can't just take this enterprise and do whatever it wants, because we will all suffer the most serious consequences, to be sure.

* Year-To-Date Economic Output Studied

33480253 Bogota EL TIEMPO in Spanish
31 Jul, 5 Aug 89

[Commentary by Carlos Caballero Argaez: "What Happened to Production in the First Half of 1989?"]

[31 Jul 89 p 5A]

[Text] The economy's performance in the first half of 1989 is something that will not be known with certainty until the end of the year when the various statistics are firmed up. Nonetheless, a brief analysis is possible, using some of the available indicators at the end of June, which do not yet bear on the first 6 months of the year.

It goes without saying that production in a given period is not independent of the past performance of the main economic variables. We cannot understand the first half of 1989 without knowing well what happened throughout 1988 and what external policies or factors had an impact on last year's results. And with apologies to academics, journalists, experts, and government officials, at this point in 1989 we do not yet have a satisfactory assessment of what happened in 1988 and an explanation of why it happened.

Having made this qualification, we can now proceed to describe what the available indicators tell us about the trend in production during the first half of 1989.

Industry

Information from the first half of the year indicates a lower level of industrial production (excluding coffee-bean cleaning) than a year before. Taking a look a the past 15 months (in other words, since early 1988), we can see that the index of industrial production reached its peak towards June of last year and then fell from then until October. This was followed by a recovery that apparently lost its momentum in March of this year. Thus, after a 2 and ½ year expansion, industrial output contracted between June 1988 and March 1989. To judge by the recent opinion of industrialists, weakness in industry persisted in the second quarter. If this was the case, those who have asserted that the last 12 months were a period of slowdown or recession in manufacturing are right.

Agriculture

There is no reliable statistical information whatsoever about the overall performance of agricultural production.

However, the slowdown in the rate of increase of food prices would suggest that agricultural supply was in much better shape than in 1988. While by the end of June last year food prices were rising at an annual rate of 35.6 percent, by the end of this June the rate of increase was 21.5 percent, down 14 points (!). Owing to coffee's impact on the economy as a whole, we should note that since the second quarter of 1988 there has been a decline in the output of green coffee compared to the respective quarters of previous years. The 1988 harvest was 9 percent smaller than 1987's.

The production of coffee during this first quarter of this year was down one-fifth from the same period last year.

Commerce

The performance of commerce is consistent with that of industrial production. Excluding vehicles, sales dropped close to 5 percent in the first quarter from the same one in 1988. It bears noting that sales of furniture and household appliances posted a 9.3 percent decline. In turn, according to DANE [National Administrative Department of Statistics], sales of vehicles and spare parts dropped by 14.5 percent during the quarter. The information from the automotive industry up to May shows a 7 percent decline in the sales of the various kinds of vehicles compared to the January-May 1988 period. Moreover, the figures for credit card buying, which are published at the end of the 6-month period and come from a study that Fedesarrollo [Federation for Development] did for Fenalco [National Federation of Businessmen], show a 36 percent drop in the use of plastic for purchases of goods and a 15 percent drop for purchases of services during the first half of the year. The hardest hit items are presumably those sold in restaurants and bars, footwear and leather goods, textiles and their manufactures, garments, and household appliances. Since the beginning of the year the problem of lower demand has become the main drag on the activities of merchants, displacing smuggling or slow accounts-receivable turnover.

[5 Aug 89 p 5A]

[Text] The indicators of the construction industry's performance give us reason to assert that it had a bad first quarter after a very difficult 1988. The permits approved for all varieties of private projects were down 14 percent from the first quarter of 1988, while permits for housing construction declined 12.4 percent. In general, Bogota was harder hit than the rest of the country, even though the decline in permit approvals for housing was steeper outside Bogota. All in all, it is very interesting to note that the expectations of builders were favorable as the 6-month period ended. They could very well be influenced by the fact that the amount of loans applied for and granted by savings and loan associations during the first quarter of the year was substantially greater than in the first quarter of 1988. The low demand for housing is, however, the most worrisome factor confronting the construction sector. On the one hand, the supply of high-priced apartments has reached saturation; on the other, low-income housing is not being financed in light of the trauma caused by the start of urban reform.

Mining

The DANE [National Administrative Department of Statistics] index for four mining products (petroleum, gas, coal, and gold) shows a 20 percent rise for the first quarter of the year, with major increases in petroleum and oil output. We should bear in mind that this figure does not reflect the impact that terrorism in May and June could have had on oil production. If we take this factor into account, it would not be surprising if last year's sad history repeated itself this year and the country's oil production again remained below the 1987 level. In contrast, output of coal and nickel has been noticeably higher, rising close to 30 percent during the first quarter of 1989.

Financial Sector

As gauged by profits, the performance of the institutions functioning as financial middlemen (banks, finance corporations, savings and loan associations, commercial finance companies) was much better the first half of this year than the first half of last year. The reasons are the demand for and availability of credit, the enhanced quality of the portfolio, and a more careful management of the lending business. It bears noting that a comparison of the "real" rates of loan interest (in other words, discounting inflation) shows that there was an insignificant rise (12.95 to 13.08 percent) from 1988 to 1989 in the average for the 5 last weeks of the first 5 months of the 2 years.

Foreign Trade

The foreign exchange revenues of the Bank of the Republic from goods exports as of 15 June (coffee, coal, ferronickel, petroleum, and other items) stood at $1.887 billion, up 10 percent from the same period last year. Fuels have been the fastest growing items, but the total amount was less than $400 million, since a good deal of the proceeds from petroleum sales are not remitted to the Bank of the Republic. Mining products are followed by ill-termed "minor" exports, the earnings from which account for close to half of the total (which is why they ought to be called "major" exports) and which were up 14 percent from one year to the next. It is interesting to note that while registered agricultural exports (as gauged by registrations with Incomex [Foreign Trade Institute], that is, by export intentions) were up 8 percent, mining products were 37 percent higher and manufacturing industry exports were up 25.4 percent. In turn, the outflows of foreign exchange from the Bank of the Republic to pay for imports of goods stood at $1.861 billion by the same date, up 15 percent from the same period in 1988. Trade was thus completely normal, balanced, and snag-free during the first half of 1988.

When the final figures for production in the first half of the year are made known, they will most likely confirm a sharp drop in industrial, commercial, and construction activity, if the comparison is with the first half of last year. The sharp drop will presumably not be across-the-board, in light of the apparently fine performance of the farming sector, the continued expansion in mining, the recovery by the financial system, and the smooth development of foreign trade. The outlook at the beginning of the year, however, was that there would clearly be an overall economic expansion; this has not been the case, at least during the first half of 1989. The reasons are not obvious, although they no doubt still have something to do with the difficulties in running the economy in 1988. It is quite difficult to say what we can expect for the second half. The problems of recent months are now compounded by the scuttling of the international coffee agreement, the worsening of terrorism, and the start of another election campaign for president of the Republic which, as we know, is accompanied by the temptation to boost government spending and the resulting fiscal disarray. Not only did the horizon darken during the first half of the year, but there appeared thick storm clouds that will test the economic team's skill in successfully getting through the rest of the year and the remainder of the current presidential term.

Ecuador

Borja Returns From Europe, Announces Drug Fight

PA1609164889 Buenos Aires REUTER in Spanish 1525 GMT 16 Sep 89

[Text] Quito, 16 Sep (REUTER)—President Rodrigo Borja has requested international cooperation to sternly combat drug trafficking in Ecuador, a country that is used as a bridge for the drug trade.

Borja requested foreign aid last night as he concluded a tour of Yugoslavia—where he participated in the ninth Nonaligned Movement summit—Portugal, and Spain.

At a news conference at the local airport, Borja rendered an account of his tour and announced that the Spanish Government has forgiven part of the country's $200 million bilateral debt.

When asked by reporters about the need for foreign aid to combat drug trafficking, Borja said:

"Ecuador hopes to receive resources to combat drug trafficking. In fact, Ecuador does not produce drugs, but drugs pass through the country in transit to other countries for sale."

He added that "as for my government, it will be harsh and inflexible in combating every form of drug trafficking in Ecuador."

On 14 September, the Ecuadoran Government deported two Colombians who were captured after they entered Ecuador's airspace aboard a modern, small aircraft without first requesting permission to do so. Ecuadoran authorities seized $360,000 from them.

The Ecuadoran authorities fear that after the offensive against drug trafficking initiated last month by Colombian President Virgilio Barco, the Colombian drug cartels—which are the most powerful in the world—will transfer to Ecuador.

Also, Borja announced an agreement reached with the Spanish Government to reduce the bilateral debt, which is approximately $200 million, and the signing of a $350-million credit under conditions favorable to Eduador.

Borja added that the forgiving of part of the bilateral credit, the percentage of which he did not specify, constitutes progress toward the solution of the foreign debt crisis, and support for Ecuador's and all of Latin America's economies.

Measure Adopted Against Drug Traffickers

PA1909031689 Hamburg DPA in Spanish 1522 GMT 18 Sep 89

[Text] Quito, 18 Sep (DPA)—After having reinforced its control operations along its long border with Colombia, Ecuador decided today to suspend the registration of farm land purchased by foreigners to try to halt the intensive money laundering operations being conducted in the country.

According to the regulation adopted by the Ecuadoran Government today, before farm property purchased by foreigners may be registered, it will be necessary to present a document at the Land Register Office identifying the origin of the money used to purchase the property.

Ecuador has a long border with Colombia, most of which is jungle, so the Ecuadoran Government does not rule out the possibility of an immense flow of Colombian drug traffickers and their capital into Ecuador, whose means of defense would be precarious in this situation. In addition, Ecuador was not included in the "Bush plan" against drug trafficking.

The Ecuadoran Government is preparing a bill to adapt the country's criminal code to the current reality that the Andean countries are facing because of the drug trafficking problem. To begin with, Ecuador reinforced its control over its northern border. Then it increased patrol operations in the large and almost uninhabited provinces of the northeastern Amazonian areas along the border with Colombia.

Large amounts of Colombian drug money could be laundered in Ecuador, especially through the purchase of farm land. In addition, Ecuadoran ports and airports have already been used as an alternative route to send drugs to the United States and Western Europe.

Investigation of Cocaine-Refining Chemical Import

PA1609162089 Paris AFP In Spanish 0041 GMT 12 Sep 89

[Text] Quito, 11 Sep (AFP)—Luis Felix Parodi, acting president of Ecuador, today promised to start an investigation about the alleged increase in the import of chemicals that might be used by the drug traffickers.

The charge was originally made by Carlos Julio Emanuel, former president of the Central Bank, who expressed surprise that although there is a recession in the country because of severe limitations in foreign trade, imports of raw materials for industrial uses have increased by more than $100 million in the first 6 months of this year.

During a lecture at the school of finance at the Catholic University, Emanuel said that he had been told that a large part of the increase corresponds to chemical substances.

Emanuel's charges were substantiated when official sources said that the Colombian mafia was using Ecuador as a transit route for its drug exports and for imports of chemical substances used in the refining of cocaine. Emanuel commented that the import permits were granted by the Central Bank.

Parodi admitted today that there are no laws to control these activities. However, he promised to investigate the charges and said that the Central Bank had established controls 3 months ago, starting a strict control of import permits.

Paraguay

Senate Elects New First Vice President 14 Sep

PY1609171789 Asuncion ABC COLOR in Spanish 15 Sep 89 p 2

[Summary] On a motion by Senator Carlos Zayas Vallejos of the Colorado Party, the Senate yesterday unanimously elected Senator Waldino Ramon Lovera as first vice president of that legislative house. The post had been vacant since the death of Senator Eduardo San Martin Britez early this month.

Rodriguez UN Delegation To Include Opposition

PY1509150889 Asuncion HOY in Spanish 15 Sep 89 p 16

[Excerpt] In response to an invitation extended by UN Secretary General Javier Perez de Cuellar, the president of the Republic, General Andres Rodriguez, will attend and participate in the sessions of the 44th regular UN General Assembly. President Rodriguez has also reported that his entourage will include Dr Persio da Silva from the Colorado Party, Dr Domingo Laino from the PLRA [Authentic Radical Liberal Party], and Dr Euclides Acevedo from the Febrerista Revolutionary Party. [passage omitted]

Fraudulent Election Registration Books Replaced

PY1609205289 Asucnion ABC COLOR in Spanish 16 Sep 89 p 3

[Excerpts] The Executive Branch yesterday promulgated a law nullifying the Permanent Electoral Registry and called on citizens to reregister. This measure eliminates the fraudulent electoral registration books kept by the Stroessner dictatorship. According to official sources, the old books contained at least 600,000 false names, and, according to other sources, members of the opposition were not allowed to register.

Law No 10 establishes that the reregistration period will run from 1 October through 31 May. [passage omitted]

Under this law, a personal identification card that will be valid for 10 years will enable the citizen to vote. The personal identification card will be issued to voting-age people at 50 percent of its current price. [passage omitted]

Central Bank Head on Reserves Level, Economy

PY1609210089 Asuncion ABC COLOR in Spanish 16 Sep 89 p 13

[Excerpts] Central Bank President Crispiniano Sandoval reported yesterday that the country's foreign reserves are now at $256 million. He said: "Since February, when they had sunk to their lowest level, foreign reserves have just about doubled. In February they were at about $135 million."

Sandoval also said that the Central Bank is selling dollars on the local free market in order to maintain the stability of the foreign currency market and to hold down its bullish trend. [passage omitted]

Sandoval said that the country's financial situation is in a satisfactory condition according to the weekly evaluations of economic measures. He added: "The national budget is balanced, the dollar exchange rate is stable, monetary expansion is under control, and the demand for credit is being met normally."

Foreign Minister Returns From Argentina 16 Sep

PY1809002889 Asuncion HOY in Spanish
17 Sep 89 p 1

[Text] Foreign Minister Luis Maria Argana and his large entourage returned yesterday afternoon from Buenos Aires, where they carried out important activities. Yesterday morning, Argana was received by Argentine President Carlos Raul Menem, who noted the possibility of engaging in joint undertakings with Paraguay and expressed his desire to visit Paraguay soon.

Official Discusses Financing for Yacyreta Dam

PY1909012889 Asuncion HOY in Spanish
16 Sep 89 p 16

[Excerpt] Alcides Gimenez, Paraguayan director of the Yacyreta Hydroelectric Plant, talked to the reporters accredited in the Government House yesterday. He said: "I met with the president to brief him on the general situation of the Yacyreta Dam, and especially on the financial aspect, in preparation for the upcoming high-level meetings of Paraguayan and Argentine officials and representatives of the international banks."

Gimenez said that he specifically talked about the financial resources that Yacyreta needs in order to meet the dam's construction schedule. He characterized those needs as urgent.

Regarding an appropriate amount he said: "It is not possible to give a total amount, because international financing is for different ends and for different periods. Therefore, we cannot say Yacyreta needs $1 billion."

As an example, he cited two credits of $250 million each (from the Inter-American Development Bank and the World Bank) for financing civil projects, among other things.

Gimenez added: "We also need to put into operation the financing from the U.S. Eximbank that has already been granted. This loan is having problems because of Argentina, which is the guarantor. This is why we believe that the meetings to be held in New York in the next few days will help make progress on the issue of financing for Yacyreta." [passage omitted]

Soviet Canned Food Available in Supermarkets

PY1809151489 Asuncion ABC COLOR in Spanish
18 Sep 89 p 8

[Text] Following the police announcement that the peasants from Juan de Mena and Cleto Romero have been eating Soviet canned shrimp, we have received a flurry of phone calls from our readers to say that canned shrimp and other sea products coming from Socialist bloc countries, including the USSR, may be found in local supermarkets. We were able to confirm this information in some of those commercial centers.

Russian vodka is one product that can easily be found in the shelves of stores and supermarkets that sell food and beverages in Asuncion. These products are being freely offered to the public while the local political and economic circles are discussing the advisability of establishing commercial relations with countries behind the Iron Curtain.

This report is not intended to contradict the police announcement as the peasants contradicted the previous announcement immediately after it was made. We just want to make available to the public the information provided by our readers and their assertion that the product exhibited by the police was not necessarily sent from the Soviet Union to feed those peasants.

There are several brands of canned shrimp of Soviet origin that are locally sold in different stores and supermarkets.

Those products are usually consumed by affluent people of refined taste in Asuncion. Russian caviar of various kinds and quality can be found and are freely sold in our capital city, just like the canned shrimp and Russian vodka. According to information provided to us, those products are imported from Germany by well-known import houses.

Peasants Possess Food

PY1709010389 Asuncion HOY in Spanish
16 Sep 89 p 24

[Report on interview with Interior Under Secretary Hugo Estigarribia Elizeche by unidentified reporter in Asuncion on 15 September]

[Excerpts] [Reporter] What can you tell us about the people responsible for the supply of these [Soviet-manufactured canned] goods?

[Estigarribia] I cannot give too many details, as an investigation is under way, and I have to be careful not to hinder it.

The fact is that the products (referring to the canned sardines) were found in places where Cleto Romero and

Juan de Mena peasants have been concentrating [peasants have been demonstrating in these areas and some of them were recently involved in an incident involving attack dogs]. [passage omitted]

"It is not a crime to consume those products, but we want to stress that the government is concerned about the unexpected appearance of Russian-made products in an area where peasants are struggling for a piece of land of their own. We want to make it clear that they have a legitimate right to make those demands."

The under secretary asked himself: "How is it that a Soviet product appears in a place where people are protesting and demonstrating for social rights? Peasants here are used to the traditional canned or preserved meat that is eaten with bread. All of the sudden we have a product that is difficult to find even in supermarkets. I have never seen one of these products before."

The under secretary added: "This is the coincidence we want to investigate. We want to warn our fellow countrymen, so they are not used by people who have nothing to do with the problem and who might want to get some political mileage out of the situation."

Estigarribia said: "This is the only concrete fact, and the purpose of these statements is to warn our people. The incident in itself is not important. At the most we could claim that there was a fiscal violation."

When the reporter suggested that the landless peasants problem might be exploited by communists or by politicians for electoral purposes, Estigarribia said: "We believe that there are leftist agitators stirring up the peasants. These agitators are creating conditions for a social, economic, and agrarian upheaval."

"We must investigate a link like this. We are conducting a very serious investigation because we think it is an issue that could affect us all. Paraguayan problems should be solved by Paraguayans." [passage omitted]

"We want to prevent these people, communists or not, from taking advantage of a legitimate demand or aspiration of workers and peasants."

Asked if he thought that this is what was actually happening, Estigarribia said: "We believe it is, because the same pattern of demonstrations and attitudes have been repeated in different places. The pattern indicates that someone is carefully directing and planning these incidents with the intention of disturbing the peace." [passage omitted]

Peru

Garcia on Oil Contract, Coca Crop Elimination

PY1609032489 Lima Television Peruana in Spanish 0100 GMT 16 Sep 89

[Excerpts] Chief of state Alan Garcia has presided over a ceremony in which Petroperu [State Petroleum Agency] and the Mobil Oil Corporation have signed a contract for the exploration and exploitation of Areas 28, 29, 30, and—on an optional basis—25 in the Huallaga River Basin between Loreto, San Martin, Huanuco, and Ucallales Departments, which cover a total of 3.65 million hectares.

The ceremony was held in the Gold Room of Government House with the participation of Senate President Humberto Carranza, ministers, Petroperu officials, and representatives of Mobil Oil, which will initially invest $108 million and start operations within 180 days. The contract will last for 6 years and can be extended for 1 more. The document was signed by Petroperu President (Daniel Menes Castillo) and (John S. Gold), Mobil Oil's main negotiator.

[Begin Garcia recording] Congressmen, Ministers, ladies and gentlemen, [passage omitted] The second fundamental topic concerns the development of this new sedimentary basin, which up to now has never been explored: The Huallaga Basin.

Huallaga is known through the world, first because of the subversive operations, but now much more because of the enormous development of coca plantations over the past dozens of years. Some estimates say that there are 100,000 hectares under cultivation, while others put the figure at 200,000. But the truth is that there are thousands of families, hundreds of thousands of Peruvians, who depend on the coca plantations in that region.

Here is a concrete way to fight coca production, implementing development and technology, crisscrossing the region with roads that the oil enterprise will build. The enterprise will also establish camps and develop villages around these camps to improve in various ways the situation that our fellow countrymen are currently experiencing there.

This, then, is a concrete way of fighting subversion and the cultivation of coca over the long term. [passage omitted]

The cultivation of coca is a result of the economic situation. That is the richest land in Peru, but it has been deformed. Coca is being cultivated there because of the international price of the drug and the extraordinary demand for it in the wealthiest countries.

The only way to resolve this problem is through economic measures and crop substitution, while at the same time guaranteeing markets and special prices for the campesino's replacement crops.

The only way to eliminate coca cultivation in the Halluaga Valley on an overall basis is through these investments. Although it wasn't their intention, perhaps Mobil Oil, in the name of production, work, technology, and productive investment, is providing an answer to this problem, an undoubtedly historic answer for Peru's future. [passage omitted] [end recording]

Fishing Agreement With Soviet Union Extended

PY1609161689 Lima EL COMERCIO in Spanish 5 Sep 89 p A-7

[Excerpt] The Fishing Cooperation Agreement the military government signed with the Soviet Union in 1971 was extended yesterday for another 3 years (until 14 September 1993) because—in accordance with one of the clauses of the 15-article agreement—neither of the two sides has renounced the agreement.

This means that the trawlers will continue to obtain food supplies at the Peruvian ports and to operate freely within the 200-mile territorial waters, and even to fish in those waters, because no controls are possible.

The final deadline for Peru to renounce the agreement was yesterday, a year before its expiration date, in accordance with an article of that agreement, which was signed in 1971 by then Foreign Minister General Edgardo Mercado Jarrin for Peru and by Aleksandr Ishkov for the Soviet Union.

Yesterday, the Foreign Ministry reported that the government had not taken any steps on this issue. A Foreign Ministry source said: "The pertinent technical agency, in this case the Fisheries Ministry, has been duly contacted, and we have been informed that there was no news in this regard."

The Fisheries Ministry also pointed out that Minister Willy Harm and Deputy Minister Vertiz Calderon had not given any instructions on this point and that they were in "a working meeting." [passage omitted]

FREDEMO Registers Presidential Ticket

PY1609141689 Lima Domestic Service in Spanish 1030 GMT 16 Sep 89

[Text] The FREDEMO [Democratic Front] presidential ticket has been registered at the registry of political organizations of the National Electoral Board.

The FREDEMO ticket is headed by Mario Vargas Llosa and includes architect Eduardo Orrego Villacorta, as first vice president, and Ernesto Alayza Grundy, as second vice president.

Militants of the Popular Action Party, the Popular Christian Party, SODE [Solidarity and Democracy], the Independent Civic Union [Union Civica Independiente], and the Liberty Movement attended the registration ceremony.

Vargas Llosa on Possible Talks With Shining Path

PY1809151089 Lima Domestic Service in Spanish 1030 GMT 18 Sep 89

[Excerpt] FREDEMO [Democratic Front] presidential candidate Mario Vargas Llosa has stated that he is willing to talk with the Shining Path and with the MRTA. He denied, however, that he has reached an agreement with any democratic organizations. He made these remarks in a program entitled Personally, which is broadcast by the Channel 4 television station.

[Begin recording] [Reporter] I do not understand why you are willing to talk with the MRTA and with Shining Path, which are organizations of assassins who have caused the death of thousands of people, and yet you exclude other forces that are not so belligerent.

[Vargas Llosa] I am willing to talk, but I am going to fight them. I am going to fight them with all possible severity. I will confront them with the conviction that 20 million citizens demand an end to all extremist crimes and assassinations.

I have said that if the MRTA and Shining Path show any indication that they want to rejoin and be reinstated within the democratic process, a really democratic government is obliged to open the door for reintegration. If they do not show any interest then I will fight them firmly because I believe that the first task in a democracy is to defend the legal system and freedom on behalf of the overwhelming majority of the population.

[Reporter] Is the FREDEMO preparing an antiterrorist program?

[Vargas Llosa] Yes, we are designing a program with the participation of psychologists, sociologists, and military experts. This program will be known to the people during the electoral campaign, hoping that they will give us an opportunity to implement this program.

[Reporter] Many people believe that Fredemo has made many mistakes over the past few months, tarnishing its image. Do you agree?

[Vargas Llosa] We try to avoid errors, although we continue to make mistakes. No one is perfect. [passage omitted] [end recording]

'Terrorist Commando' Kills Communist Leader

PY1609010589 Madrid EFE in Spanish 0120 GMT 16 Sep 89

[Text] Lima, 15 Sep (EFE)—The police in Lima today disclosed that a terrorist commando, allegedly linked to the Maoist Shining Path Group, has stabbed the regional general secretary of the Peruvian Comunist Party (PCP) to death.

According to the police the politician, who had received death threats, was murdered on Thursday 14 September in Punum in Huacho Province, 150 km north of Lima.

Eyewitnesses said that the terrorists, who were hooded, stormed the hospital where Alberca was interned and, after stabbing him to death, took his body to the main square.

Pedro Alberca was also spokesman of the Communist Front United Left (IU).

Police Report Shining Path Kills 6 in Ayacucho

PY1509040089 Madrid EFE in Spanish 0207 GMT 15 Sep 89

[Text] Ayacucho, Peru, 14 Sep (EFE)—Police sources have reported that six people, including four musicians, were murdered today in Ayacucho by a Shining Path "annihilation command" that attacked a dance.

The attack took place in the Quinuapata region, some nine blocks from the Ayacucho Plaza de Armas. Nine hooded terrorists, armed with submachine guns, threatened the public. They identified four members of the local musical group "Los Vibracks" and two other people and made them stand apart from the rest of the crowd.

The Shining Path men then riddled the six people with bullets. They said that they had come to the dance "to look for the vampires, for the murderers, for those who use the party's [not further identified] name to commit crimes."

"Los Vibracks" was comprised of 12 members, who were entertaining the public together with "Group America," which consists of 9 musicians.

Media sources have reported that the six corpses are in the morgue, where autopies were conducted.

About 2 years ago, the Shining Path threatened to kill the members of the musical group "Los Shapis," which was very popular in Lima then. The group has signed a contract to perform in Ayacucho, but they refused to return to the town after the Shining Path threat.

The Maoist terrorist group charged "Los Shapis" with failing to express the people's feelings and yearnings, and with "taking advantage" of the people to make money.

Police Capture Subversives Operating in Canete

PY1509131289 Lima Domestic Service in Spanish 1030 GMT 15 Sep 89

[Text] Technical Police Director Fernando Reyes Roca has announced the capture of a group of subversives that was operating in the town of Canete and its surroundings and that carried out a number of terrorist attacks. He made these remarks at the end of a ceremony during which the Artesania Company presented him a souvenir plate in recognition of the work of the Huacho Technical Police.

Petromar Drills Two New Offshore Oil Wells

PY1609170089 Lima EL COMERCIO in Spanish 8 Sep 89 p A-8

[Summary] The Peruvian Offshore Oil Enterprise (Petromar) has disclosed that two new oil wells drilled on the continental shelf are currently yielding 3,500 barrels per day. The output of those wells has increased Petromar's overall production by about 20 percent.

Uruguay

President Sanguinetti Explains Meeting With Bush

PY1609140689 Montevideo Radio Carve in Spanish 0000 GMT 16 Sep 89

[Excerpts] President Julio Maria Sanguinetti today stressed the spirit of cooperation expressed by U.S. President George Bush, in the urgent quest for a solution to the Uruguayan foreign debt problem.

Bush today received Sanguinetti at the White House, and for almost an hour the two presidents analyzed the Uruguayan economic situation, the Panamanian crisis, and especially the international drug-trafficking problem. Sanguinetti stated that they also discussed the inclusion of Uruguay within the Brady plan.

The meeting was very pleasant, and we have found in President Bush a spirit of cooperation and understanding, Sanguinetti stated as he left the presidential office.

Sanguinetti today began a 4-day private trip to Washington and New York. He will return to Montevideo on Monday, 18 September.

Sanguinetti stated: President Bush has recognized the Uruguayan efforts made over the past 5 year to consolidate democracy and to create better conditions for development. He added that the U.S. officials will try to cooperate with us in the quest for a solution of the foreign debt problem, which does not depend solely on the U.S. Administration and on the multilateral organizations, but also on private interests and on creditor banks. But we have found a spirit of cooperation, he said.

Sanguinetti today also met with top World Bank, IMF, and IDB [Inter-American Development Bank] leaders. [passage omitted]

On 15 September, President Sanguinetti met with President Bush and also with IMF Director General Michel Camdessus. On 18 September, before returning to Uruguay, President Sanguinetti will meet in New York with UN Secretary General Javier Perez de Cuellar.

DNII Presumed Connection With CIA Denounced

PY1409210089 Montevideo LA HORA POPULAR in Spanish 11 Sep 89 p 6

[Text] Broad Front Deputy Nelson Lorenzo Rovira has submitted to the Interior Ministry a new request for information about a presumed connection of the National Directorate of Intelligence and Information [DNII] with the CIA. This new request has been submitted because the one presented on 14 July 1988 was not answered.

Rovira has stated that former intelligence agent Jose Calacce has publicly denounced "that former DNII Director, Inspector General Costa Rocha, works for the U.S. Embassy and the CIA."

Rovira added that trustworthy people have met with former agent Calacce and "he has given them further details of the CIA activities in Uruguay and the existing connection between the CIA and high-ranking govrnment officials. I have several names which, in due time, I will present to the Interior Ministry."

Rovira has asked whether an investigation has been carried out, and "if so I would like to hear the results."

Venezuela

Man Resembling Colombian Drug Lord Arrested

PA1909011189 Caracas Venezolana de Television Canal 8 in Spanish 0021 GMT 19 Sep 89

[Text] A suspected drug trafficker whose physical characteristics are similar to those of Gilberto Rodriguez Gacha [name as heard], kingpin of the Medellin Cartel, was arrested in Tachira State.

The arrest of this suspect is the result of the strict surveillance that the Judicial Technical Police [PTJ] established in the border area once it learned that the Colombian drug traffickers might flee to Venezuela. The individual, whose documents identify him as Alirio Quintero, was arrested along with a female companion, Zulima Penalada, also a Colombian, with whom he shared a luxurious house in the border area.

[Begin recording] [PTJ official Humberto Cifune] (?We acted) on the basis of the suspicion that he might be linked to drug trafficking because of his likeness to one of those wanted by Colombia. That is why they were brought here.

[Reporter] A likeness to whom?

[Cifune] A likeness to Gilberto Rodriguez Gacha, one of those wanted by Colombia for being a member of the Medellin Cartel. [end recording]

According to the PTJ investigations, Alirio Quintero or Gilberto Rodriguez Gacha invested in Venezuela large sums of money, the origins of which he has yet to explain.

Judges Accused of 'Leniency' Toward Traffickers

PA1609042589 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 16 Sep 89

[Text] Ignacio Ramirez Romero, president of the Venezuelan Human Rights Federation, and MAS [Movement Toward Socialism] leader Enrique Ochoa today accused some Venezuelan judges of leniency toward drug traffickers. The charges were presented before the Venezuelan Attorney General's Office.

According to Ramirez and Ochoa, they requested an investigation of the irregular retirement of three judges. Ramirez and Ochoa said that certain judges retired with salaries above 40,000 bolivars without having met the requirements to retire with such a salary.

In addition, Ramirez and Ochoa said there are judges who have become rich through illegal means while serving as judges. Ramirez and Ochoa added that, until recently, these judges had salaries of approximately 10,000 bolivars and now own very expensive properties.

[Begin recording] [Ochoa] Our accusations added to recent accusations of corruption presented before labor and juvenile courts call for the Attorney General's Office and the National Congress to open an investigation not only into these cases but also into the causes that have led members of the judiciary to corruption. Such corruption renders our democratic system illegitimate.

[Ramirez] I would like to add that we met with Javier Alequierra, the Attorney General's Office national inspection chief. He promised to have some answers for us in 3 weeks regarding the investigations we have requested. We trust this investigation, and the efforts that the Attorney General's Office members will make will result in the clarification of the cases. [end recording]

* Perez' Role in Middle East Conflict Viewed

33480260d Caracas EL NACIONAL in Spanish 28 Jul 89 p A12

[Article by Carlos Silva Valero]

[Text] Venezuela could play a historic role in solving the Arab-Israeli conflict, according to statements made by special envoy Natan'el Lorch [as published] before meeting here with President Carlos Andres Perez yesterday afternoon.

Lorch, who arrived in Caracas Wednesday for a 2-day visit, brought a special message for Perez from Israeli Prime Minister Yitzhaq Shamir.

"Considering the enormous weight it carries in OPEC, Venezuela can help improve the climate of trust and persuade the Arabs that the Israeli Peace Plan is not anti-Arab," he said.

Lorch, former general secretary of the Knesset (parliament) and now retired after a lengthy diplomatic career, denied he had come to ask Venezuela to mediate in the conflict with the Arabs.

"I am not here to ask for anything, but a gesture by Venezuela in that direction would be very well received by us," he said.

He added that the influence of persons such as President Perez could change the atmosphere of distrust in the search for a peaceful solution in the Middle East.

"In the final analysis, peace will have to be made by the parties involved, but Venezuela can make a positive contribution and play a historic role," said Lorch, one of Israel's foremost military historians.

Lorch also denied that his visit meant any Israeli counteroffensive to the diplomatic initiative of the PLO, whose foreign minister, Farouq Qaddumi, was recently in Caracas.

"We believe that our Venezuelan friends deserve to be informed of our ideas once in a while," he said. "Whether the PLO does so or not does not matter to us."

But in what appeared to be a reference to Venezuela's decision to postpone the Palestinian organization's request to open an office in Caracas, the diplomat said that "I am going to tell the president of the Israeli Government's satisfaction with the balanced decision it made on the matter."

Shamir's special envoy said that "my mission is to take advantage of the Venezuelan president's patience to explain the Israeli peace initiative."

He added that the plan "has been very badly interpreted" and revealed that he would outline the plan's four parts to Perez, placing them in the context of the most recent events.

He said that the plan basically contains procedural aspects and factors that will help create a climate of trust.

"In our opinion, if it (the Israeli Peace Plan) is adopted, it will be a very important step toward a final agreement, or at least toward a situation in which peaceful coexistence is possible between nations in the Middle East," he said.

The four points of the Israeli Peace Plan are: continuation of the Camp David peace process, although in a more advanced stage; a search for peace agreements with neighbors; final solution to the Arab refugee problem; and elections in territories occupied by Israel after the 6-Day War in 1967.

"We want to give the Palestinians a democratically elected representation so that we can later negotiate with them on a 5-year transition status in order to create a climate of greater understanding and trust before moving on to a final status," Lorch said.

He also said an attempt was now being made to set up the machinery for negotiations on the final status of occupied territories.

Turning to a document drafted by Egypt on the PLO's conditions for accepting the Israeli Peace Plan, Lorch said that "my personal opinion is that this memorandum is the same trap into which the Arabs have always fallen: putting the cart before the horse."

He added that some of the points in the memorandum contain classic aspects that must be negotiated once the machinery exists, not established as preconditions.

However, he noted that "we must resolve the participation of Arabs in East Jerusalem before elections" in the occupied territories.

He added that the Palestinian demand for territories for peace "is a very unfortunate formula because both Arabs and Israelis need peace equally."

He reaffirmed that "there are not and will not be" negotiations with the PLO as long as there has been no change in that organization's charter, which envisions the establishment of a Palestinian state throughout the territory of Palestine as it was under the British mandate and liquidation of the Jewish state.

Although he cited the Israeli experience of the double language of the PLO, he admitted that there "had been a very important change" in the rhetoric of the organization, which now speaks a very different language, he said.

* Former Energy Minister on OPEC Membership

33480270c Caracas EL NACIONAL in Spanish
7 Aug 89 p D7

[Interview with former Minister of Energy Arturo Hernandez Grisanti by Cayetano Ramirez; date and place not given; first paragraph is editorial comment]

[Text] The subject of OPEC continues to be discussed in Venezuela because there are some people who consider that the country is placed at a disadvantage by its membership in the organization, since the quota system limits petroleum production. Furthermore, they think that if we left the organization, we would have greater freedom of action within a competitive market.

[EL NACIONAL] What does Arturo Hernandez Grisanti think about this matter?

[Hernandez] "The concept, which we could well call strategic and which led Venezuela to promote the establishment of OPEC, remains fully applicable."

He continued that due to the difficulties which the organization has dealt with, made more complicated in this period of crisis, and due to the inconsistent way it has behaved, in addition to the chronic indiscipline of several of its members, there are people who think that OPEC is no longer justified and, above all, that it is not appropriate for Venezuela to continue as a member of an organization with so many problems and contradictions.

He stated: "After having thought about this matter a great deal and after having served for a long time as chief of the Venezuelan delegation and attended many OPEC meetings, I continue to be convinced that it is in the national interest of Venezuela to continue in the organization, working to strengthen it and overcome its difficulties."

Hernandez Grisanti mentioned a simple example to explain the situation which we would be in regarding OPEC if we withdrew from it or if the organization were dissolved. He said that "this would be like the case of someone who produces 10,000 pairs of shoes at a cost of 50 bolivares per pair and who proposes to compete with three other shoemakers who produce 20,000 pairs of shoes each at a production cost of 25 bolivares per pair. His prospects for success in the market would be minimal, if not nonexistent. This is not a desirable situation for Venezuela in the petroleum field, and no responsible leader can take action of this nature which would seriously prejudice the national interest."

[EL NACIONAL] Will internal conditions in OPEC and its performance improve over the short run?

[Hernandez] "OPEC is not, nor do I think that it will ever be, a perfectly coordinated and united organization. There will always be discussions, disputes, and contradictions, because the interests which are defended are so basic. However, in any case I think that it is better to have an OPEC with all of its defects than to have nothing at all. If there were no OPEC, it would leave all of the producing countries free to compete openly in the markets. And those who believe that this situation would be right for us, because we would have no limitations on our production quotas, forget that the other countries would not have such quotas either and that many of them have greater reserves and productive capacity, as well as lower costs of operation.

"These facts, well known for a long time and particularly by Perez Alfonzo, who analyzed them in depth during his period in exile, were the considerations which led to the conclusion that the coordination of the policy of the petroleum exporting countries was in the interests of all of them."

Hernandez Grisanti insists that there will always be internal contradictions within OPEC and that the Venezuelan minister of energy will have to be very firm in defending the interests of the country.

He stated: "However, let us not think that the dissolution of OPEC would be beneficial to us, as if we were alone and without competition in the market."

The former minister, who is now president of the Committee on Mining and Hydrocarbons in the Senate, observed that there are countries with a production potential of 8 million barrels per day and others with a potential of 3 and 4 million barrels per day. Furthermore, they have production costs lower than ours. We would wind up competing with them in an uncontrolled market. This is the kind of disadvantage which is totally or partially cancelled when OPEC keeps part of its production potential closed down, establishes quotas, and tries to unify thinking about prices.

Market Has Functioned Better So Far in 1989

[EL NACIONAL] What do you think of the petroleum market at present?

[Hernandez] "So far in 1989 the basic economic factors of crisis which the market has confronted since 1982 are still with us. Nevertheless, there is some improvement in them and, especially, in the political ingredients which, by interfering with and disturbing the life of OPEC, tied its hands to some extent in providing a better response to adverse conditions in the market."

[EL NACIONAL] How do the permanent, economic factors operate?

[Hernandez] "Among the economic aspects I might indicate, first, that the demand for petroleum is again tending to grow at a slightly higher rate and that even the most qualified analytical institutions which make projections on the behavior of the principal market variables have had to revise their estimates upwards. On the other hand the correlation between economic growth and the increase in the consumption of petroleum is tending to reestablish itself gradually. This indicates that the principal effects of the conservation measures have already been achieved and that it will be difficult to increase them significantly."

Indiscipline and Overproduction Continue

[EL NACIONAL] And what of the political elements which affect the petroleum world?

[Hernandez] "The political aspects make it possible for us to observe that the bloody part of the conflict between Iran and Iraq is over and that, consequently, the internal political climate within OPEC has improved. The atmosphere is not as gloomy as it was."

[EL NACIONAL] Will this smooth the way to resolving the bulk of internal OPEC problems?

[Hernandez] "Not exactly. What I am saying does not imply in any way that difficulties do not remain which are well known. Indiscipline and overproduction continue, especially on the part of Kuwait and the United Arab Emirates, while others are exceeding their quotas to a lesser extent. On the other hand, the two countries just mentioned are trying to obtain increases in their quotas in the order of 500 million barrels per day or more. Such a step would be to the detriment of the other members and cannot be achieved unless an increase in demand makes possible a corresponding change in the quotas.

"These problems are going to be discussed in September at an informal meeting and then at the regular conference in December. However, of course, it is not going to be easy to resolve these questions, and they are going to continue affecting the capacity of OPEC to respond to the crisis."

Arturo Hernandez Grisanti pointed out that in 1989 there has been an improvement in the petroleum market and in the prices for crude oil. In 1988 the average price for the seven kinds of crude oil in the OPEC basket (when the official price was $18 per barrel) was about $14.50. In April 1989 the price reached almost $19, while in May, June, and July it stayed above $17. This summer it was logical to expect a temporary and seasonal fall in prices, and all of the experts said that this would happen. However, prices have been falling somewhat more than expected, and already some of the ministers of the OPEC countries have expressed concern over this fact.

He said: "We hope that at the meetings in September and December agreements will be reached which will prevent a permanent and significant deterioration in the market and in petroleum prices."

Celestino Is Doing Well

[EL NACIONAL] You spent almost 5 years as minister of energy and mines. How do you evaluate the work of Celestino Armas, the present minister?

[Hernandez] "I think that Celestino Armas has handled his portfolio with diligence and prudence in the always difficult internal framework of OPEC. He has maintained the position appropriate for us, of mediating and conciliating to attenuate the contradictions which are always there, in search of agreements which are not always the best but which are possible, keeping in mind the complex factors which are involved in the activities and internal life of the organization."

Venezuelan Domestic Petroleum Development

Hernandez said that the urgency of moving to a new stage in the industrialization of petroleum has been raised in Venezuela. This means developing specialized petroleum products made from refinery cuts, kerosene, naphtha, distillates, and so forth. He had had something to do with this question because he presided over the Ministry of Energy and Mines, which determines hydrocarbon policy. He was also concerned with the drafting of the text of the new Hydrocarbon Law, which will set out the legal framework so that these new companies, which reportedly will be partly owned by private interests, will have a clear, juridical status.

[EL NACIONAL] What is your opinion regarding internalization, as this development is called, based on a term first used by Alvaro Silva Calderon?

[Hernandez] "This term, which has made his name and is in common use by those concerned with petroleum matters, means the stimulus which should be given to the industrialization of the petroleum industry within Venezuela."

[EL NACIONAL] How would this program of industrialization work out?

[Hernandez] "There is a broad field and spectrum of possibilities for Venezuela in this respect. When I was at the ministry, important steps forward were taken regarding this matter. These are contained in the memoirs which I presented to Congress.

"Furthermore, a preliminary draft of an Organic Hydrocarbons Law was developed by a group of qualified jurists who were appointed by the ministry. In preparing this draft it was hoped to bring together in a single, basic form widely dispersed and in some cases anachronistic legislation. It was also hoped that we could clear up a number of gray areas which have still not been defined, setting down in precise form those activities which remain within the reserved area marked out by the state when the petroleum industry was nationalized and those which can involve the participation of the private sector of the economy."

[EL NACIONAL] The existence of the preliminary draft was known, but it was not sent to Congress. What happened?

[Hernandez] "This preliminary draft was not introduced in Congress because I received it when the election campaign had already started. A matter of such importance and complexity could not be discussed in that atmosphere.

"Regarding the industrialization of hydrocarbons and those activities within such a framework which can involve private participation, I have always thought that what we nationalized in 1975 and which the state cannot turn over to private industry are those areas related to the petroleum industry which involve the production, refining, and sale in the domestic and international market of petroleum derivatives used as fuel. That is what the objective of nationalization was. All of the other processes in which refinery derivatives are used as raw materials to obtain other, intermediate or final use products in the chemical and petrochemical industries and which cannot be used as fuels may involve private participation in mixed or totally private companies.

"This is the fundamental concept of the preliminary draft which was prepared. It is not always easy to determine the meaning, in practice, of this definition. However, we have to make an effort in this direction to clarify in a precise way the field specifically reserved to the state and the field which can involve private participation. In any case the regulations would contribute to making what is contained in the law more precise."

Hernandez considers that Venezuela can develop a petroleum and petrochemical specialty industry which would generate within Venezuela an important range of products, both to satisfy the domestic market, for which such products have been imported until now, as well as to create new export possibilities in which the comparative and competitive advantages of Venezuela give us access to foreign markets.

He considers that the value of industrial processes of this kind, based on the availability of abundant hydrocarbon resources, as well as personnel qualified at all levels of an adequate technology, would involve not only the development of new possibilities for exports, import substitution, and foreign exchange earnings, but also jobs and the generation of new wealth based on Venezuelan resources. What is specifically missing is legislative action to set down an appropriate, juridical framework for the new companies where private capital will be destined to play an important role through a decisive level of participation.

He stated that with regard to the Hydrocarbons Law, whose draft is ready and which should be presented to Congress, meetings still are needed with Celestino Armas, minister of energy and mines. It is known that there is a provision for coordinated work on this fundamental matter between the two Committees on Mines and Hydrocarbons of Congress which on this occasion, and for the first time in Venezuela, are headed by two former ministers in this area: Arturo Hernandez Grisanti and Humberto Calderon Berti. We asked Hernandez Grisanti about possible cooperation between the two committees to carry on the work on the new Organic Hydrocarbons Law.

He replied: "It is possible that a Bicameral Committee will be established, and it will be necessary to set up contacts on this law with Minister Celestino Armas."

[EL NACIONAL] Can this be done in the near future?

[Hernandez] "It can be done."

* La Riva Discusses Rapanelli's Arrest Warrant

33480259c Caracas EL NACIONAL in Spanish 19 Jul 89 p D1

[Interview with Judge Luis Guillermo La Riva Lopez by Victor Manuel Reinoso on 18 July 1989; place not given]

[Text] The judge assigned as the special investigator in the Recadi [National Preferential Exchange Office] case, Luis Guillermo La Riva Lopez, confirmed yesterday that the warrant for the arrest of the present Argentine minister of economy, Nestor Mario Rapanelli, is still in effect.

La Riva thus denied the reports from Buenos Aires which said that the Rapanelli case had been dismissed in Venezuela.

The investigator in the Recadi case not only agreed to meet with journalists who wanted to interview him yesterday about the decision of the Higher Protection Court which appointed another nine special investigative judges to examine some 50 files which he has been studying, but he also answered a number of telephone calls from journalists in Buenos Aires who wanted to ask him about the legal status of the present minister of economy in Argentina, Nestor Mario Rapanelli. He is one of those being sought by the Venezuelan courts on an arrest warrant issued in the case pertaining to the mill operations.

Prosecution Still Active

A journalist from an international news agency who went to the court to interview the judge asked the first question.

"President Menem has said in Argentina that Minister Rapanelli has been excluded from the case which is being pursued in Venezuela."

"I do not know what the Argentine president has said," Judge La Riva responded. "The fact is that on 26 May a decision was handed down in Case No 3383. Arrest warrants were issued for eight executives of a wheat milling enterprise, including citizens Nicomedes Zuloaga Mosquera, Salvador Armada, and Nestor Mario Rapanelli of the Great Venezuelan Mills firm known as Gramoven. The arrest warrant issued was based on the provisions of and authority in Article 71, No 2 of the Public Assets Protection Law, which provides for prison sentences of from 2 to 10 years for those who have made fraudulent use of public funds. The arrest warrant was also based on a smuggling charge for which the Customs Law provides a lesser penalty.

"This same file was turned over to the Higher Court for the Protection of Public Assets last 14 June after the arrest warrant was appealed," Judge La Riva went on to say. "I have not heard that the case has been dropped. There has been no press report in Venezuela to that effect. The Higher Protection Court, a collegiate body, has not yet issued a judgment upholding or reversing this arrest warrant."

Judge La Riva explained that Rapanelli is being tried in absentia because he was one of the directors of Gramoven which had a close relationship with the international Burge and Born firm, which Rapanelli headed.

He added that Rapanelli has an attorney who appealed the arrest warrant in this case on which there is a file with eight parts and almost 3,000 pages which is being studied at the Higher Protection Court.

The foreign journalists insisted on knowing if the judge believes Rapanelli is guilty.

"Of course," La Riva said. "That is why I issued the warrant for his arrest. And if Mr Rapanelli had submitted to the law, he would be in custody. And if he comes to Venezuela, he will be arrested immediately."

He explained to the journalists from the news agencies that one of the Higher Protection Court judges, Henrique Sanchez Falcon, has been appointed as reporter for the judgment which will uphold or reverse the warrants for the arrest of Nicomedes Zuloaga, Nestor Mario Rapanelli, and the others being tried in absentia.

According to the cable reports from Argentina, Rapanelli has stated that the trial of the milling executives took place in 1983 and 1984, and that the prosecution dropped the case against him.

This is not true, because the prosecutor does not have the authority to dismiss a case.

Ortiz Bucaran

Silvestre Ortiz Bucaran, the president of the Higher Protection Court, said yesterday afternoon that this case has been appealed.

"This means that this court must rule in due course, and its judgment will cover all of those for whom arrest warrants have been issued in this case."

Ortiz Bucaran said that further proceedings will depend on this judgment. He made this statement when asked if there were plans to request Rapanelli's extradition in the event that the arrest warrant is upheld.

All of this means that the Argentine minister of economy, Nestor Mario Rapanelli, who succeeded Miguel Roig after his death from a heart attack, is wanted by the Venezuelan courts.

* Iturbe on Progress of Economic Reforms, Recadi

33480271a Caracas EL NACIONAL in Spanish 2 Aug 89 p D2

[Exclusive interview with Minister of Finance Eglee Iturbe by Agustin Beroes; date and place not given; first four paragraphs are introduction]

[Text] The finance minister has said that although 6 months of the new government term have passed, it is still premature "to speak of success in the implementation of the program of economic adjustments" initiated by the administration of Carlos Andres Perez.

In an exclusive interview granted to EL NACIONAL, Eglee Iturbe de Blanco explained that even so, "in general terms, the signs we are seeing in the economy are rather encouraging. This judgment is based on the stability of the rate of exchange, the role interest rates have been playing, the battle against unemployment, the slowing down of inflation, and the evidence we see of an increase in demand.

However, the concrete implementation of the programs of a social nature, such as the job program, for which the resources must be approved by the National Congress, is still, in principle, pending.

The head of the public finance department agreed to talk with this reporter during the new round of negotiations scheduled by Minister of Coordination and Planning Miguel Rodriguez; BCV [Central Bank of Venezuela] President Pedro Tinoco; and the foreign debt negotiator, Edgard Leal, with the Bank Advisory Committee and the Monetary Fund, when they will have to do the expected thing—evaluate the first 6 months of the implementation of the economic adjustments program.

Favorable Indications

[EL NACIONAL] What is your assessment of the first 6 months of the implementation of the economic program?

[Iturbe] In fact, we have now been implementing the economic program for almost 6 months. We can say in general terms that the signs we are seeing in the economy are rather favorable.

[EL NACIONAL] Such as what, for example?

[Iturbe] The macroeconomic variables as a whole are under relative control. We are seeing a stabilized rate of exchange; the interest rate has been playing its assigned role in the adjustment process; inflation has slowed down substantially in recent months, after the initial surge in the first month; and there has been a rather substantial reduction in demand, because there has been a decline in the public income received, in particular in the flood of monetary resources for the lower-income sectors. But this trend will begin to be reversed in the coming months, in our opinion, because now the resources for this sector are about to be approved, and this will facilitate matters.

[EL NACIONAL] What about employment?

[Iturbe] Employment has increased because we have approved mechanisms within the agreement reached to limit the potential for unemployment. Thus it would seem that the economic process is under control. And I say it would seem, because this is a rather forceful and important process. It involves a very substantial change in direction which we must continue to consolidate. The fact that we have all of these indicators which show us that we are pursuing the right path does not mean that we already have achieved success with the economic program. We must continue to monitor it with as much care as we have to date. We cannot yet speak of success for the economic program.

[EL NACIONAL] What prospects do you see, as minister of finance, for the second half of the year?

[Iturbe] I believe that we are moving toward consolidation of the program of economic adjustments. If we continue to control the inflationary process, with a parallel increase in demand for a complex of producers, we will reinforce the recovery of the demand level, the rate of exchange will remain stable, and supply, or the capacity for industrial activity, will respond as is hoped. I believe that we can have a little more expansive second half of the year, and with better conditions, in comparison to the major adjustment we have had in the first half of the year.

Continued Debt Reduction

[EL NACIONAL] To what extent is the refusal of the creditor bank to agree to a substantial reduction in the foreign debt affecting the optimal development of the economic program? We are depending solely on credit from multilateral sources, and it appears that the Mexican negotiations have established a ceiling of 35 percent for debt reduction, while the Venezuelan aspiration is to go to at least 50 percent.

[Iturbe] Since this government took office, it has had a substantial reduction as its basic guideline for resolving the problem of the foreign debt and supporting the success of the economic program. Because debt servicing under the present conditions becomes impossible, absorbing a high percentage of our foreign exchange income as it does, the potential for domestic expansion of the economy is limited. It is not a question of winning a little more time in which to pay, but rather of achieving a reduction which is consistent with the value on the secondary markets.

[EL NACIONAL] Does Venezuela meet the conditions for a 50-percent reduction of its debt?

[Iturbe] Our debt reduction strategy, fortunately for Venezuela, was set forth before the Brady Plan was consolidated. It is being encouraged or facilitated by the adoption of a position by the United States and the recognition that the debt problem is no longer a matter between debtors and creditors. Instead, the governments of the creditor countries must participate by contributing solutions. Within this plan, the Brady scheme emerged. It is not a panacea, because it is a voluntary mechanism, but in any case it leads to negotiations with the creditor banks within a context different from that of the political environment.

[EL NACIONAL] And what about the Mexican case, with regard to Venezuela's aspirations?

[Iturbe] The Mexican case is the first indication that the creditor banks recognize that it is necessary to reduce the foreign debt of the debtor countries substantially. As a result, it is tempting now to compare Venezuela and Mexico. However, we believe that each country has its own peculiarities, its own specific weight, and its own political importance in relation to the creditor countries. Apart from that, the economic and financial conditions differ, although we are seeing, on a parallel basis, a joint effort to resolve the common problem of the debt. It is true that the Mexican settlement establishes a frame of reference for what those of us who come along next are going to do. We continue to think that we can win agreement for larger discounts on our foreign debt than Mexico did, because we can offer different negotiation conditions. At this time, we have a greater payment capacity, our debt is less than the azteca total, and the needs for fresh capital differ. For example, Mexico needs substantial capital. We, on the other hand, are saying that at this time we do not need new money.

[EL NACIONAL] So that the situations are different?

[Iturbe] So that there are important differences in the proposals, the conditions, and the prospects. This may give us a special margin for negotiating, although it must be admitted that the Mexican negotiations will serve as a point of reference for the bank.

[EL NACIONAL] How is this situation affecting the development of the economic program?

[Iturbe] It depends on how the pace of our negotiations is managed and on the parameters established in this connection. If we arrange with the bank for mechanisms which allow us to keep the debt service levels low while the negotiations continue, how long the talks continue will not be important, because we will be able to put together remedies. The important thing is that we are already beginning to negotiate. It would have been a problem if we had not begun the scheduled discussions at this point. We are obtaining multilateral financing, which was very important for the first year of the economic program.

Division of Tasks

[EL NACIONAL] Why isn't the minister of finance negotiating on the debt issue directly? Instead there is the Cordiplan [Office of Coordination and Planning] head, with the rank of special minister, in addition to which there is a negotiator. How do you view this situation?

[Iturbe] The Ministry of Finance is aware of and establishes the position Venezuela is adopting in renegotiating the debt with the creditors. There is no information available to the negotiating minister which the Ministry of Finance does not have. What is happening is that we are distributing the workload. Negotiating a debt issue takes up a great deal of time. If you remember the earlier negotiations, you must know that the minister of finance spent all of his time in an airplane. Minister Rodriguez is the best equipped to negotiate, because he speaks English. In addition, he has become familiar with the atmosphere at the World Bank and the IMF. And the negotiator, Edgard Leal, is involved in the most functional work with the commercial banks. It is simply that we have divided the functional responsibilities. The Ministry of Finance is not being slighted in the process in any way.

[EL NACIONAL] What is the purpose of the meeting between the negotiators and the IMF?

[Iturbe] A meeting is being held to assess the Mexican negotiations with Monetary Fund officials. And the meeting with the creditor bank will begin tomorrow (today). Next week there will be a meeting in Mexico so as to exchange views with the negotiators, to examine the details of their negotiations, and to extract the best lessons from them.

[EL NACIONAL] What is the world president of CitiBank doing in Venezuela?

[Iturbe] He is making an official visit. He is the president of Venezuela's largest creditor bank, and we will talk with him about the subject of the debt in general, but not about any specific operation in particular.

The Recadi Case

[EL NACIONAL] To what extent has the Recadi [National Preferential Exchange Office] scandal affected the implementation of the economic program and policy?

[Iturbe] As minister of finance now, and because I served as vice minister during the last months of the preceding term, I have been publicly linked with this issue, and I have maintained a very cautious position, if you will, because it seems to me that if there are concrete statements, they should be discussed in the appropriate investigative circles, and not by the public at large. This has basically to do with the responsibilities of this post, and the national and international repercussions of any statements a finance minister makes. I have been and I will continue to be very cautious on this subject.

[EL NACIONAL] And what will the effect be?

[Iturbe] I do indeed believe that at a time when we are making a set of adjustments to redirect the economy, based essentially on the private sector's assuming the responsibility for the productive management of the country, and a retreat by the public sector, this change in attitude is based on confidence. Confidence is a very elusive but sensitive thing for the investors, and it is measured by the components of the collective. A situation which affects one businessman immediately settles over the others like dust, particularly if it involves a foreign businessman. The Recadi case has created an atmosphere which has even led to statements by the Council of the Americas and a group of investors. I believe that consumption activity in Venezuela is heavily concentrated in foreign investment in the automotive, food, and agroindustrial sectors, which are those under investigation. The concrete and specific judgments handed down by the courts of justice in the coming months will be the factors which will restore balance and calm. The investigation has taken a long time, and this has created a certain burden, but it will all happen because it is better to invest in a democratic country.

* Beltran Guerra on 'Persecution by Judiciary'

33480259b Caracas EL NACIONAL in Spanish 20 Jul 89 p D9

[Article by Rosita Regalado and Luis G. Acosta: "Fedecamaras Assembly Discusses Uncertainty Affecting Everyone"]

[Text] Maracay, 19 July—In one of the most heavily attended sessions of this 45th Annual Meeting of the Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry] last evening, the problem of legal jeopardy affecting both natural and juridical persons was taken up in depth. Highly placed officials admitted that the problem exists, but at the same time they denied that there is judicial terrorism.

In his address as chairman, Minister of Justice Luis Beltran Guerra set forth a series of factors which have contributed to the development of a situation of juridical injustice, while at the same time expressing his confidence that all of this can be overcome when the new court administration system corrects the shortcomings.

He stressed that at this time, not even he is spared the possibility of becoming a victim of persecution.

"It must not be forgotten that Venezuela has a system of court administration and a state of law guaranteed by our Constitution. Therefore, the errors and shortcomings in this administration must be corrected through the channels for which our laws provide. I believe that the shortcomings existing in our system of administering justice can be corrected, and I am one of the most ardent believers that it should be substantially improved."

The speaker denied the charge made by businessmen who claim that their sector is currently being subjected to persecution, going on to express his hope that the administration of justice will be improved. And he urged businessmen to participate in strengthening the judicial branch so as to bring it into line with the other branches of national government (executive and legislative).

Supreme Court of Justice President Otto Marin Gomez, for his part, denied that there is any judicial terrorism in the country, as the businessmen have charged. He criticized the pressure being exerted daily through telegrams from all parts of the country concerning the suits filed against businessmen. He said that this pressure serves to inhibit the judges, who are "human beings" like the rest of us. He also criticized the pressure being exerted by an international organization called Amnesty International concerning the "Amparo" case, which he termed improper.

"They should have confidence that the decisions in these cases involving businessmen will be made shortly. In general, there is a determination to improve the administration of justice in Venezuela."

Apart from his address as a member of the afternoon panel at this session, Marin Gomez spoke of the negotiations in which the magistrates of this court are engaging with members of the Chamber of Deputies and the Senate with a view to revision of the draft Labor Law which provides a mechanism for correcting the danger posed by prison crowding. He also discussed the fact that convicts can be released without any system for the social rehabilitation of criminals, which puts the safety of individuals and institutions at risk when there is no foresight on the part of the state in terms of criminal policy.

Next to speak was Judge Pedro Miguel Reyes. On behalf of the Magistrates' Council, he praised Judge Luis Guillermo La Riva.

"We know who the corrupt individuals in our country are, and one of our tasks is to clean up the judicial branch. We are working in this direction."

Juan Martin Echeverria, a former minister of justice and panel member at this session, said: "The leaders must understand that the problems of the country affect everyone. It is not possible to take a sectorial approach to the most important problems. And it cannot be assumed that at any given moment a certain sector is not being affected by juridical measures—in other words that if some other sector is being affected, the first will be left in peace. The problem of juridical mistreatment affects all

Venezuelan citizens. Just now it is the business sector, but at any future time, it might be any other Venezuelan."

Here, he added, the problem lies in understanding that it is necessary to find the truth, to administer justice properly, to prove things, but to do so through an analysis of the responsibilities of all sectors. In other words, not the business sector alone. And it is a known fact that if some businessman is guilty, no one wants him punished any more than the other businessmen do.

* Maritime Treaty Proves Controversial

* Velasco on Background

33480278 Caracas EL NACIONAL in Spanish 13 Aug 89 p D5

[Interview with Zambrano Velasco, former minister of foreign affairs, by correspondent Ada Urribarri; date, place not given]

[Text] "Present Venezuelan foreign policy is centered on the role of the president and on his confused international presence. This attitude and practice, begun in the last few years of the Lusinchi administration, of avoiding the kind of consultations and participation provided for by law, in certain cases, have gone so far as to prevent our institutions from functioning. Like the Foreign Relations Advisory Commission (CARE), they have been bypassed on various occasions."

This was stated by former Minister of Foreign Affairs Luis Alberto Zambrano Velasco when he was asked about the Partial Maritime Boundary Treaty signed by the Venezuelan Ministry of Foreign Affairs with the Government of Trinidad and Tobago. This matter was not reviewed with CARE before it was signed.

Zambrano Velasco stated: "The failure to comply with applicable provisions of law, the more so when the area involved is in the middle of our territory, is very serious. The international validity of the respective agreements which are related to it are dependent on its domestic constitutionality. In the political sense this brings into play the responsibility of the minister for 'violation of the law,' within the meaning of Article 121 of the constitution."

[EL NACIONAL] Both in the case of Colombia as well as this case with Trinidad, the administration has been accused of "improvisation" in the field of foreign policy. What do you think of this?

[Zambrano Velasco] "In Venezuela at the present time the interdependence between the domestic order of things and foreign policy is working out in a disorderly and unbalanced way. Using international affairs to serve domestic policy purposes has become evident on many matters. Only 6 months into the term of this president several decisions have been made which will have a major bearing on the future handling of problems which Venezuela has always considered closely linked to its vital interests."

[EL NACIONAL] What would appear to be our country's objectives regarding the maritime boundary agreement with Trinidad?

[Zambrano Velasco] "Obviously, in its international efforts to ensure our maritime jurisdiction its objectives are: drawing a line which equitably delimits the maritime jurisdictions of both states, the legal definition as Venezuelan territory of those waters under Venezuelan jurisdiction in the Gulf of Paria, and the recognition of the mouth of the Orinoco River as territorial waters. A further objective is securing an adequate Exclusive Economic Zone and ensuring an exit to the open Atlantic Ocean free of any foreign control."

[EL NACIONAL] What will be required to achieve those objectives?

[Zambrano Velasco] "In some cases it seems that it will be necessary to revise the treaty signed in Caracas in 1942 which furthermore should be supplemented with definitive boundary lines to the North of the Bocas del Dragon and to the East of the Boca de Serpientes.

"Now a partial arrangement which gives Trinidad and Tobago all of its objectives in the areas where a line is drawn and which leaves exclusively to its future good will the demarcation of the boundary in areas of vital interest to Venezuela is highly unsuitable. Therefore the promise by Trinidad to negotiate in the future on the basis of the principles of international law cannot be considered an achievement or an advantage for Venezuela. Calling this a triumph for the Venezuelan position is a serious mistake which disqualifies anyone who says this."

He said that, on the other hand, Venezuela cannot forget, and the time seems appropriate to obtain adequate recompense for it, that on 28 September 1942 a ceremony was held on the Isla de Patos at which Great Britain effectively turned over that island to Venezuela but with the shameful limitation of a diminished sovereignty. In that treaty there was a prohibition on constructing military or naval defensive positions which might be necessary in the future to ensure our control over the Gulf of Paria, the mouth of the Orinoco River, and the Atlantic coast.

The Social Christian internationalist leader said that the lack of information on what was agreed between the two nations in these negotiations indicated that these discussions were "very poorly conducted, precipitate, and inconsequential, and the interests of Trinidad predominated in them."

He stated: "There was ignorance and a lack of clarity on the Venezuelan side, and very few Venezuelans were aware of what happened. The negotiators worked exclusively on the partial demarcation of a boundary line, forgetting the fact that in 1942 the respective treaty was concerned with the juridical nature of the waters, with navigation, and with other matters.

"It is clear that they were in over their heads, and for that reason Trinidad succeeded in its immediate objective, while Venezuela, in violation of its national interest, did not achieve the most insignificant part of its objectives and proceded to turn over rich areas which were unquestionably its property, where Trinidad will now be able to consolidate and expand fisheries which call for the degree of legal security which the recently signed treaty gives it, as a result of Venezuelan recognition."

[EL NACIONAL] What will the role of Congress be now?

[Zambrano Velasco] "Congress now will have a major responsibility, since in Venezuela the negotiation of treaties of the highest constitutional importance is undertaken when the matter under consideration is territory. Their approval by law is a matter for the legislative branch of the government."

He concluded: "Furthermore, in accordance with Article 7 of the Constitution, everything connected with the national territory and any changes to it must be the subject matter for 'treaties validly entered into by the Republic.' Article 128 reiterates that treaties or international conventions which the executive branch of the government enters into must be approved 'by special legislation' to be valid."

* Terms of Treaty

*33480278 Caracas EL NACIONAL in Spanish
12 Aug 89 p D5*

[Text] Agreement between Venezuela and Trinidad and Tobago

The Government of the Republic of Venezuela and the Government of the Republic of Trinidad and Tobago, hereafter described as the contracting parties:

Motivated by the purpose of setting out a precise and equitable maritime border between the two countries;

Considering that formalizing the results already achieved by the delegations of both countries would mean taking a significant step toward the early conclusion of a complete maritime boundary agreement;

Have agreed as follows:

Article I—The maritime boundaries between the Republic of Venezuela and the Republic of Trinidad and Tobago referred to in the present agreement are the limits of the territorial seas, the continental shelves, the Exclusive Economic Zones, and any other maritime or submarine areas which may have been or which might be established by both parties, in accordance with international law.

Article II—The lines of demarcation regarding the maritime and submarine areas in the Caribbean, the Gulf of Paria, the Boca de la Serpiente, and the area of the Atlantic Ocean immediately adjacent to the coasts of the Republic of Venezuela and the Republic of Trinidad and Tobago are geodetic lines which unite the points with the following geographic coordinates:

1. Latitude 11 degrees, 10 minutes, and 30 seconds North; Longitude 61 degrees, 43 minutes, and 46 seconds West,

2. Latitude 10 degrees, 54 minutes, and 40 seconds North; Longitude 61 degrees, 43 minutes, and 46 seconds West,

3. Latitude 10 degrees, 54 minutes, and 15 seconds North; Longitude 61 degrees, 43 minutes, and 52 seconds West,

4. Latitude 10 degrees, 48 minutes, and 41 seconds North; Longitude 61 degrees, 45 minutes, and 47 seconds West,

5. Latitude 10 degrees, 47 minutes, and 38 seconds North; Longitude 61 degrees, 46 minutes, and 17 seconds West,

6. Latitude 10 degrees, 42 minutes, and 52 seconds North; Longitude 61 degrees, 48 minutes, and 10 seconds West,

7. Latitude 10 degrees, 35 minutes, and 20 seconds North; Longitude 61 degrees, 48 minutes, and 10 seconds West,

8. Latitude 10 degrees, 35 minutes, and 19 seconds North; Longitude 61 degrees, 51 minutes, and 45 seconds West,

9. Latitude 10 degrees, 2 minutes, and 46 seconds North; Longitude 62 degrees, 4 minutes, and 59 seconds West,

10. Latitude 10 degrees, 0 minutes, and 29 seconds North; Longitude 61 degrees, 58 minutes, and 25 seconds West,

11. Latitude 9 degrees, 59 minutes, and 12 seconds North; Longitude 61 degrees, 51 minutes, and 18 seconds West,

12. Latitude 9 degrees, 59 minutes, and 12 seconds North; Longitude 61 degrees 37 minutes, and 50 seconds West,

13. Latitude 9 degrees, 58 minutes, and 12 seconds West; Longitude 61 degrees, 30 minutes, and 0 seconds West,

14. Latitude 9 degrees, 52 minutes, and 33 seconds North; Longitude 61 degrees, 13 minutes, and 24 seconds West,

15. Latitude 9 degrees, 50 minutes, and 55 seconds North; Longitude 60 degrees, 53 minutes, and 27 seconds West,

16. Latitude 9 degrees, 49 minutes, and 55 seconds North; Longitude 60 degrees, 39 minutes, and 51 seconds West,

17. Latitude 9 degrees, 53 minutes, and 26 seconds North; Longitude 60 degrees, 16 minutes, and 2 seconds West,

18. Latitude 9 degrees, 57 minutes, and 17 seconds North; Longitude 59 degrees, 59 minutes, 16 seconds West,

19. Latitude 9 degrees, 58 minutes, 11 seconds North; Longitude 59 degrees, 55 minutes, and 21 seconds.

And from Point 1, North on a true, constant rhumb line following the meridian of 61 degrees, 43 minutes, and 46 seconds West, until it reaches the meeting point with the territory of a third state.

Article III—The position of the previously described points has been defined by latitude and longitude in terms of the South American Provisional Datum of 1956 (International Ellipsoid of 1924). The previously listed boundaries and points have been traced for purely illustrative purposes on the map agreed to by both parties and attached to the present agreement.

Article IV—1—The contracting parties agree on establishing a Mixed Venezuelan-Trinidadian Boundary Demarcation Commission, which will be responsible for the effective demarcation of the points and lines listed above, as well as all activities related to such demarcation.

2—The demarcation referred to in Paragraph 1 of this article will be accomplished with such aids to navigation as the Commission shall consider appropriate.

3—The Commission will be made up of three (3) representatives of each country, with as many advisers as the Commission shall consider appropriate and whose names will be duly notified through diplomatic channels.

4—The Commission shall meet within three (3) months following the date of the entry into force of the present agreement and, subsequently, each time that one of the parties or the Commission shall request it. The meetings will be held alternatively in the Republic of Venezuela and in the Republic of Trinidad and Tobago.

Article V—Regarding the continental shelves and the Exclusive Economic Zones in the Atlantic Ocean, which extend beyond the lines of demarcation described in Article II of the present agreement, the contracting parties agree that, starting at Point 19 negotiations will continue as soon as possible on the following basis. The maritime border between the Republic of Venezuela and the Republic of Trinidad and Tobago will be established by agreement on the basis of international law, in accordance with the principles of equity, and taking into account all pertinent circumstances, in such a way that both the Republic of Venezuela and the Republic of Trinidad and Tobago may exercise their inherent and exclusive rights of sovereignty along the natural extension of their respective territories until the external border of the continental margin, a border which shall extend beyond the 200 miles of their respective Exclusive Economic Zones and shall delimit the areas of national jurisdiction of the Republic of Venezuela and those of the Republic of Trinidad and Tobago up to the International Zone of Maritime and Oceanic Depths which is the common inheritance of mankind.

Article VI—The present agreement will enter into effect on the date on which an exchange of notes is held at which the completion of legal formalities is notified to the other party, as provided for in the constitutional practice of each contracting party.

Made in four, identical copies, two (2) in the Spanish language and two (2) in the English language and signed in Port of Spain on 4 August 1989.

For the Government of the Republic of Venezuela ENRIQUE TEJERA PARIS Minister of Foreign Relations

For the Government of the Republic of Trinidad and Tobago SAHADEO BASDEO Minister of External Affairs and International Trade

* Treaty Criticized

33480278 Caracas EL NACIONAL in Spanish
10 Aug 89 p D1

[Article by Ada Urribarri: "COPEI Will Not Support in Senate Agreement Signed With Trinidad"]

[Excerpts] Accusing the government of "rash action and improvisation in the management of Venezuelan external affairs and adopting the position of not approving the Partial Maritime Boundary Treaty recently signed by the Venezuelan Ministry of Foreign Affairs with the Government of Trinidad and Tobago," Eduardo Fernandez stated "to public opinion what the Venezuelan Government has not made clear."

Having established that he was informed about the subject, since government leaders were aware of the position taken by COPEI [Social Christian Party] regarding the signature of this treaty and the report published by a daily newspaper with nationwide circulation, Fernandez, the secretary general of the party, went on to review the prior history and consequences of the commitments that were undertaken.

Fernandez said: "We have all been very pleased at the news of the success of the president's trip to Trinidad and Tobago, an occasion which was used to sign some documents which will contribute towards improved relations between our two countries. We applaud that policy of better relations with our neighbors."

The 'Buts'

Stating that we "were the initiators of those policies of closer relationships with the countries of the Caribbean," Fernandez said that no information was provided to the country regarding one of the agreements signed. This agreement deals with the partial demarcation of our maritime and ocean floor boundaries. This matter became known from the publication of a speech by the prime minister of Trinidad and Tobago, in which he stated that as a result of that agreement, "boundary disputes between Venezuela and Trinidad which had gone on for 50 years" have reportedly been resolved.

Fernandez continued: "No information has been provided to public opinion regarding that agreement. It seems to me that I have an obligation to express our views regarding it. The government has signed a maritime boundary agreement which, in our judgment, seriously harms the legitimate interests of Venezuela and which further ignores warnings which have been expressed in the last few years on this subject."

No Exit to the Atlantic Ocean

According to Fernandez, the agreement signed by the Ministry of Foreign Affairs concedes "everything which the Government of Trinidad wanted, in exchange for promises."

He stated: "The agreement traces the border in the areas in which the Government of Trinidad and Tobago has an urgent interest in its immediate definition. The maritime boundaries are defined in the areas of the Gulf of Paria, of the Caribbean, and of the Boca de Serpientes. In exchange they have postponed demarcation of the boundary in the area which Trinidad and Tobago prefers to leave undefined, prejudicing the interests of Venezuela and specifically the projection of 200 miles out into the Atlantic Ocean. This is our projection in that zone.

"The government has agreed to concede irrevocably everything which interested Trinidad and Tobago, in exchange for a promise on what the Government of Trinidad has obstinately avoided conceding up to the present, such as the definition of the specific border, where the unquestionable rights of Venezuela in the Atlantic Ocean would be identified."

He added: "The government was warned. We had warned it about the error of signing a partial demarcation of the border. The position of Venezuela was always to demarcate the border completely and not what was of interest to a friendly country."

Going back into the past record of the matter, the Social Christian leader mentioned the sending of a communication to former President Lusinchi in September 1986 in which, in behalf of the national leadership of the Social Christian Party, the president was warned about such negotiations. He quoted a part of the text of this communication, which stated:

"A partial settlement which would give to Trinidad and Tobago all of its aspirations in the delimited areas and would leave exclusively to its future goodwill the demarcation of areas of vital interest to Venezuela would be highly inappropriate. [passage omitted] The purpose of this communication is to sound the alarm at a time when it still appears possible to correct the course of the negotiations, before causing irreparable harm to the territory of the Republic."

Consultations

The COPEI leader also stated that on the eve of the departure of the president on a visit to the neighboring country he reportedly called him to express his concern about the signature of the aforementioned treaty. He also mentioned the meeting which Pedro Nikken and Marcial Perez Chiriboga had with the acting foreign minister who had reportedly given them assurances that the treaty would not be signed under those conditions.

Fernandez said: "Although he consulted us at the last minute, we responded as follows. We reiterated that this partial demarcation of the border damages the interests of Venezuela. We pointed out that it would establish an unacceptable precedent if an attempt were made to reach a boundary agreement without satisfying the constitutional and legal formalities regarding treaties which, among other things, involve previous consultations with CARE [Congressional Foreign Affairs Advisory Commission] and subsequent approval by Congress.

"Thirdly, we formally asked that no document be signed in Trinidad, because the draft which they showed us was inappropriate in every respect if it was not changed to protect our rights in a legitimate way."

Fernandez continued: "I must say that both the president, as well as the Ministry of Foreign Affairs, were receptive to our views. They even said that we were right and assured us that a partial border agreement would not be signed in any case.

"We were surprised to learn that the foreign minister signed, not a note, but a partial boundary demarcation treaty which leaves the fundamental rights of Venezuela unprotected."

No Alternative

The Venezuelan Ministry of Foreign Affairs offered explanations to COPEI, which were called inconceivable.

Fernandez stated: "According to the Ministry of Foreign Affairs, protocol considerations came up regarding which it was not possible to say no to the signature of the treaty. We consider that this whole process has had five very negative results for Venezuela:

- 1) A partial border demarcation agreement damages the national interest and our future negotiating capacity. Now they have what they wanted, so that our ability to negotiate what we consider to be of vital interest is seriously harmed.
- 2)A violation of the law establishing the CARE, which was not consulted on a border demarcation agreement and in whose preparation it should have participated.
- 3)A demonstration of improvisation and rash action which led to the signature of an agreement in the knowledge that it was not appropriate for Venezuela because for protocol reasons our delegation felt that it could not say no.
- 4)A major question about the seriousness with which the government deals with territorial questions and a

climate of no confidence on other negotiations which it will deal with. The concern that the government finds it hard to say no, also for protocol reasons.

- 5)An unnecessary risk of friction with Trinidad and Tobago, which is a neighbor with whom we wish and should have the best relations.

"The government could avoid sending the agreement to Congress as long as there is no full agreement and explain this circumstance to the Government of Trinidad and Tobago. As always, COPEI has a constructive attitude toward helping to overcome this difficulty in which the government has placed us due to its own errors, and in defending the interests of the country with a unanimously held position."

[EL NACIONAL] Does the violation of the law establishing the CARE invalidate the treaty?

[Fernandez] "I think so. This also provides an opportunity, a pretext, and arguments for the government to refrain from sending the treaty to Congress."

[EL NACIONAL] If the treaty is introduced in Congress for approval, would COPEI vote for it?

[Fernandez] "I hope that the government, in agreement with this recommendation, will avoid sending it to Congress. In any case COPEI will call for a debate on the matter in Congress."

* Ministry Offers Rebuttal

33480278 Caracas EL NACIONAL in Spanish 12 Aug 89 p D5

[Article by Txomin Las Heras: "Ministry of Foreign Affairs: No One Has Objected to the Demarcation Lines"]

[Text] The Venezuelan Ministry of Foreign Affairs has issued a communique in which it defends the signature of a partial maritime and ocean floor boundary treaty with Trinidad and Tobago. The treaty was signed last week on the occasion of the visit which President Carlos Andres Perez made to the Caribbean island.

In the communique the Ministry of Foreign Affairs responded to the critical statements made by Eduardo Fernandez, the secretary general of COPEI [Social Christian Party], regarding the signature of the agreement. However, the communique did not make clear the reasons why the government did not inform public opinion about the matter.

Following is the text of the Ministry of Foreign Affairs statement:

1) Under our constitutional structure the president of the Republic is responsible for the overall direction of our international relations. Nevertheless, it has been the policy of the national government to consider that essential questions of state, and particularly questions regarding the border, should have the support of a consensus of the principal political parties and of Venezuelan public opinion.

2) Since 1975 negotiations have been held with the Republic of Trinidad and Tobago on the demarcation of maritime areas and of the ocean floor boundaries between the two countries. These negotiations have been carried on by Venezuela in a coherent and systematic way, in search of a fundamental objective: a just and equitable demarcation of the border.

3) An essential component of that objective is that whatever demarcation line is established in the Atlantic Ocean should reflect the inherent and exclusive rights of Venezuela beyond the 200 miles of its Exclusive Economic Zone, all along the continental margin up to its internal border, which touches on the International Zone of Maritime Depths.

4) The process of negotiation has been long and difficult, although it has taken place within an atmosphere of mutual understanding and cordiality.

To continue the negotiations in the most efficient possible way, it was decided to consolidate the results already achieved by the delegations and to set out in an unequivocal way the substantive rules which should control the continuation of the negotiations. The purpose of the negotiations is to support the conclusion, in as short a time as possible, of a complete demarcation of the boundary which would include the area of the Atlantic Ocean and reflect Venezuela's rights .

5) In implementing the previously mentioned policy of consultations the Venezuelan Government informed COPEI [Social Christian Party] and MAS [the Movement Toward Socialism] of the details of the negotiations at a time when it had succeeded in clarifying some points remaining to be resolved with the delegation of Trinidad and Tobago.

The Movement Toward Socialism expressed its agreement with the program, while the representatives of COPEI indicated some doubts and reservations which were considered acceptable by the Ministry of Foreign Affairs, as a result of which they were included in the draft for the exchange of notes.

6) Already in Port of Spain reasons of a technical nature made the two parties think that adopting the form of an agreement instead of an exchange of notes would cover more adequately all of the points of view previously noted. In any case the agreement which was signed clearly reflects the vital interests of Venezuela and will only "enter into force on the date when an exchange of notes takes place in which the completion of legal formalities provided for in the constitutional structure of each contracting party is notified to the other." (Article 6 of the agreement)

In any case the border lines contained in the agreement show that a balance of interests has been reached between both countries, and no objections have been made by any of the political parties consulted.

7) The law which controls the Foreign Relations Advisory Commission provides for its participation in the study of territorial and boundary questions, as well as those relating to maritime and ocean floor areas, but not at the stage of negotiations. And it is the firm intention of the Venezuelan Government to give these consultations the broadest possible range.

8) Furthermore, the agreement contemplates in an express way the rights of Venezuela to the Atlantic Ocean area which, although they do not depend on any recognition by third parties, are formally accepted by our neighboring country, which assumes the specific obligation of continuing to negotiate on the basis of that recognition.

9) In effect, the agreement, as was stated previously, obliges Venezuela and Trinidad and Tobago to continue "as soon as possible" their negotiations regarding the continental shelves and the Exclusive Economic Zones in the Atlantic Ocean, with a view to delineating a maritime border "in such a way that both the Republic of Venezuela as well as the Republic of Trinidad and Tobago may exercise their rights of inherent and exclusive sovereignty all along the natural extension of their respective territories and up to the outer border of the continental margin, which extends beyond the 200 miles of their respective Exclusive Economic Zones and demarcates the areas of national jurisdiction of the Republic of Venezuela and those of the Republic of Trinidad and Tobago with the International Zone of the Maritime and Oceanic Depths which is the common patrimony of humanity."

10) The theoretical speculation that the agreement could be frustrated if a complete demarcation line is not reached in the Atlantic Ocean area would imply a violation of the agreement. This would constitute a basis for denunciation based on Article 60 of the Vienna Convention on the Law of Treaties, which has legislative status in terms of international jurisprudence. Despite this fact, the Venezuelan Government in no way could presume the bad faith of the Government of Trinidad and Tobago, which merits, on the part of Venezuela, the highest respect and consideration as a friendly country, faithfully carrying out its international obligations. On the contrary, measures will be taken to ensure that the second phase of negotiations on the agreement will be successfully completed in a short period of time, so that the results may be considered jointly.

In effect, it should be repeated that a debate on this subject and the approval of the Congress of the Republic will be essential to reach the stage of an exchange of notes.

Guyana

Defense Force Chief of Staff Arrives in Brazil

FL1509144189 Bridgetown CANA in English 2324 GMT 14 Sep 89

[Text] Georgetown, Guyana, Sept 14, CANA—Chief of staff of the Guyana Defence Force (GDF), Major General Norman Mclean is in Brazil at the head of a four-man military delegation. The five-day visit, the state media reported on Thursday, is being made is response to an invitation from the chief of staff of the Brazilian Armed Forces.

While in Brazil, Mclean will visit military institutions and installations in Manaus and Brasilia. He will also hold talks on a wide range of matters of mutual interest to the two armies.

Other members of his delegation are Colonel Robert Mitchell, Lieutenant Colonel Michael Atherley, and Captain Gary Best.

PPP Protests Exclusion From Regional Conference

FL1309161589 Bridgetown CANA in English 1448 GMT 13 Sep 89

[Text] Georgetown, Guyana, Sept 13, CANA—The opposition People's Progressive Party (PPP) has protested its exclusion from a forthcoming conference in Jamaica on "electoral systems in the Caribbean and Central America".

The Electoral Advisory Committee of Jamaica, which is hosting the hemispheric event, had written to the Guyana Government inviting it to send two representatives for the October 9-14 conference.

The government decided to send the representative of the ruling People's National Congress (PNC) on the Guyana Elections Commission, Stanley Moore, and named as its second choice, Lance Ferreira, secretary of the commission.

Opposition leader and head of the PPP, Dr Cheddi Jagan, sent a letter to President Desmond Hoyte protesting the exclusion of the PPP's representative on the elections commission, Clement Rohee. But the office of the president stated that Dr Jagan's letter was in part "tendentious" and "irrelevant" in other parts.

Dr Jagan has now written to the director of the Electoral Advisory Committee of Jamaica informing him of the development. He has asked that the necessary action should now be taken by the organisers to ensure that there was proper representation from Guyana at the conference in view of the ongoing controversy about rigged elections in the country.

Dr Jagan has pointed out that apart from "the aged chairman, Harold Bollers", there are only two parties represented on the elections commission, the PNC and the PPP.

In these circumstances, it is only fair, he said, that the two parties should be represented at the electoral systems conference. To do otherwise, said Dr Jagan, "is to flout public concern over fair elections".

The PPP has often accused the PNC of rigging elections—a charge the PNC rejected as preposterous.

Pickets at Government Building

FL1409204289 Bridgetown CANA in English 1759 GMT 14 Sep 89

[Text] Georgetown, Guyana, Sept 13, CANA—Guyana's opposition People's Progressive Party (PPP) on Wednesday led a picketing exercise outside parliament as it stepped up its campaign against the two-man Guyana Elections Commission delegation selected to a conference on electoral systems in the Caribbean and Central America.

As part of its campaign, the PPP has also dispatched a document entitled "Anatomy of the Elections Commission of Guyana" to opposition leaders in all Caribbean Community (Caricom) states and to the elections and boundaries commissions in all Caricom countries.

The PPP is contending that the Guyana delegation to the conference to be held in Jamaica from October 9 to 14 under the sponsorship of the Electoral Advisory Committee of Jamaica, is unrepresentative since it includes only the secretary of the Guyana Elections Commission, Lance Ferriera, and the ruling people's National Congress (PNC) representative on the commission, Stanley Moore.

The invitation had asked for two delegates and the PPP, backed by other parties within the loose opposition grouping, the Patriotic Coalition for Democracy (PCD), is contending that the PPP representative on the commission, Clement Rohee, should have been a member of the delegation.

The PPP has already written the sponsors contending that the Guyana delegation is unrepresentative and asking that its representative also be allowed to attend and participate.

Meanwhile, Rohee told newsmen Wednesday the PPP has, so far, received no response from any of the opposition leaders in the region or from the Electoral Advisory Committee in Jamaica.

At the picketing exercise, about thirty activists of the PPP, the WPA [Working People's Alliance], and the Democratic Labour Movement (DLM) paraded on the pavement outside parliament denouncing the exclusion of opposition representation on the delegation.

Opposition PCD May Boycott Municipal Elections

FL1409203389 Bridgetown CANA in English 0008 GMT 14 Sep 89

[Text] Georgetown, Guyana, Sept 13, CANA - Guyana's opposition Patriotic Coalition for Democracy (PCD) said on Wednesday its members will "boycott and denounce" municipal elections planned for this year if the existing relevant laws "are not suitably revised by September 30."

In a statement read at a press conference by Mr Eusi Kwayana, of the Working People's Alliance (WPA) which is one of the PCD's five members, the grouping said its position has been drawn to the attention of President Desmond Hoyte in a letter sent to him on August 25.

"Our letter to the president raised directly and indirectly the credibility of the ruling party and its attitude to national consensus on the question of elections but so far our letter has drawn no acknowledgement from the president," the PCD statement said.

Kwayana and representatives of other PCD members told the press conference that the main grouse is that the forthcoming elections will be conducted under Chapter 28:03 of the laws of Guyana which places general direction and supervision of local government elections in the hands of the minister of home affairs.

The statement noted that on July 30, 1986 the National Assembly with the support of the members of parliament of the ruling People's National Congress (PNC) approved a motion moved and seconded by the opposition calling for new rules of conduct for elections to local authorities and for these new rules to be debated in the assembly.

"The debate on the motion and the ensuing vote made it clear that all sides expected new electoral laws. It is now clear, however, that the ruling party has vetoed this resolution of the National Assembly."

"The situation somewhat resembled the breach of faith which impelled the PNP of Jamaica to boycott an election in Jamaica on the question of a new voters list. In our case, a boycott is dictated by the persistent and deliberate refusal of the PNC to place arrangements for and conduct of elections under the control of a reconstituted and independent elections commission," the statement said.

Kwayana contended that the Guyanese president will have to decide whether he has a veto on resolutions passed in the National Assembly. He said that in their letter to Hoyte, PCD members represented in parliament—the Peoples Progressive Party (PPP) and the WPA—indicated that their MP's would be willing to be summoned to meet during the current recess of parliament should he decide to recall parliament to discuss the matter by September 30. The current recess is scheduled to end early next month. The opposition parties boycotted the 1986 municipal elections.

Other members of the PCD are the Democratic Labour Movement, (DLM), the People's Democratic Movement (PDM), and the National Democratic Front (NDF). The grouping was formed in January 1986 and has been waging an on-going campaign for electoral reforms.

Boycott To Involve 'Masses'

FL1509181389 Bonaire Trans World Radio in English 1130 GMT 15 Sep 89

[Text] A five-party opposition coalition in Guyana says it will boycott municipal elections scheduled for November unless the government makes reforms. The Patriotic Coalition for Democracy says it wants the government to adopt a law allowing for control of the election by an independent board. The statement by the coalition says its boycott will not be passive and quiet but will, in the exact words, involve the masses. The November elections are seen as a crucial test for the governing Peoples's National Congress Party [PNC] of Guyana. Local political and human rights groups there have often claimed that the PNC has rigged past elections.

Business Disagrees With World Bank Aid Plan

FL1309153289 Bonaire Trans World Radio in English 1130 GMT 13 Sep 89

[Text] Business leaders in Guyana say they disagree with a World Bank plan to lump their country together with smaller Caribbean countries in order to be eligible for development aid. George Fung-On of the Georgetown Chamber of Commerce says Guyana is not an island like other Caribbean Community members and that it has vast untapped resources. The chamber executive director also told a World Bank team in Georgetown last week that Guyana requires more aid for larger scale development programs than the islands do.

$10 Million Contract Signed With Canadian Firm

FL1409151489 Bonaire Trans World Radio in English 1130 GMT 14 Sep 89

[Text] A major Canadian Communications Firm has signed a $10 million contract with Guyana's Government. The agreement between Guyana and Northern Telecom is aimed at upgrading the country's telephone, telex, and facsimile services during the next 18 months. It calls for Northern Telecom to help Guyana Telecommunications Corporation install 800 new telephone lines, set up 100 pay phones in Georgetown, increase overseas call circuits, and install a new digital system. The Canadian firm will also supply standby generators to offer the service continuity during blackouts. It will train Guyanaese to operate the new systems as well. Work is expected to begin before the end of the year.

Fire on Power Barge Leads To Extended Outage

FL1609150389 Bridgetown CANA in English 1813 GMT 16 Sep 89

[Text] Georgetown, Guyana, Sept 16, CANA—A fire aboard a power barge late Thursday left most of Georgetown and its environs without electricity for more than 36 hours.

Deputy Prime Minister Robert Corbin, who is responsible for public utilities, said Friday that at about 5:30 pm (local time) Thursday, "calamity" struck when one of the engines on the barge exploded and a fire broke out. He said the fire was contained and only the one engine that caught fire was damaged but the incident forced a shutdown of the entire facility. He added that the Guyana Electricity Corporation [GEC] had been depending heavily on the barge for about five megawatts of power in recent weeks.

Corbin's report was given to newsmen at a briefing session at public buildings shortly after he and Japan's ambassador to Guyana, Kunio Muraoka signed a grant aid agreement under which Japan will provide Guyana with a 7.5 megawatt diesel generator worth about U.S. 5 million dollars. The equipment is due to be installed by the Japanese in time for Christmas, next year. The agreement was signed with the aid of a kerosene lamp because there was a blackout at the public buildings.

The shutdown of the barge, meanwhile, has come at a time when Guymine, the bauxite company at Linden, 65 miles south of here on which the GEC depends for up to about seven megawatts of power, has been unable to export any electricity to the city in recent days because of technical problems at its operations. Corbin also reported that there were further problems at the Kingston power plant yesterday and Kingston was generating only six megawatts of power.

Corbin and general manager of the GEC, Narvon Persaud, explained that with only six megawatts available for distribution in the city and its environs, only essential services were being supplied with electricity. They were hopeful, however, that about nine megawatts would have been available from Kingston and about 3.4 from the barge by late yesterday. There was also a possibility that Guymine would be in a position to supply the GEC with a limited supply by Friday night or some time Saturday, they explained.

Georgetown's electricity demand at night has been placed at 38 megawatts. Guyanese were receiving eight hours of electricity daily prior to the incidents. The latest problems caught many Guyanese off guard and they had to wait until after mid-day, Friday for explanations on the extended power outages. Reports from some sections of the city and its environs, meanwhile, suggested some residents were experiencing a serious shortage of potable water and some had started resorting to breaking the mains to get supplies.

Corbin said President Desmond Hoyte and Prime Minister Hamilton Green were working Friday to ensure that arrangements were in place to provide citizens with emergency supplies of water, if the need arose.

Suriname

President Meets With Amerindian Representative

FL1409141489 Bonaire Trans World Radio in English 1130 GMT 14 Sep 89

[Text] Surinamese President Ramsewak Shankar met yesterday with a representative of Amerindian rebels. The Surinamese leader called on the Indians to release a plane and a ferryboat they seized in a protest over conditions in the country. Indian leaders say they want the peace accord between the government and the bush negro guerrillas suspended. They also want the reestablishment of the government Bureau of Indian Affairs.

Minister Reassures Rebels on Kourou Accord

FL1809223789 Paramaribo International Service in English 1730 GMT 18 Sep 89

[Text] Social Affairs Minister Willy Soemita said in an interview with the daily DE WARE TIJD that within 2 weeks, payments of social allowances will begin. These include the payment of children's allowances to the people of the interior.

Because of the war situation in the east and south of Suriname, which lasted for 3 years, the payment of the social allowances couldn't be made. In the Kourou Accord, it is, among others, stated that the government must make these payments retroactive. The amount of money to be paid by the government is more than 11 million Surinamese guilders, said Soemita.

He further said that there is no reason to doubt whether the government will carry out the Kourou Accord and that Brunswijk mustn't threaten with actions. The leader of the so-called Jungle Commando had threatened to take armed action and to install a president for the interior if the government doesn't implement the Kourou Accords within 6 months time.

According to Minister Soemita, the Jungle Commando must have a little patience.

Rebellious Indians Continue Hijacking Activities

FL1809212189 Paramaribo International Service in English 1730 GMT 18 Sep 89

[Text] The leader of the United Reformist Party, VHP, [expansion and acronym as heard] Jaggernath Lachmon, said that he regrets the fact that the (Tucayana) Amazon Indians are continuing their counteractions. Lachmon has last Saturday during a meeting with party members who are on various state organs said that he's still waiting for a discussion with the rebels. The party leader has a strong impression that the actions by the Amazon Indians are being instigated by others.

During those of last week, [words indistinct] six police officers in an Amerindian village in the Nickerie District. The rebellious Indians have over the weekend also hijacked various means of transport.

Assembly member (Jamrock Asack Brubram) said that he has word that the rebels are also planning to occupy the town of Wageningen in the Nickerie District. Activities in the wood and (?dry) sectors in the vicinity of Wageningen have completely been stopped said (Brubram).

Strike Planned Unless Talks Held

FL1809214089 Paramaribo International Service in English 1730 GMT 18 Sep 89

[Text] People of the Nickerie District have chosen to embark on a general strike if the government doesn't hold talks with the rebellious (Tucayana) Amazon Indians before Wednesday coming [20 September]. The people of Nickerie are of the opinion that they are made to suffer most because of the actions by the rebels.

As a result of the armed actions by the (Tucayana) Amazon Indians, which started at the end of last month, the overland connection between Paramaribo and Nickerie is practically broken.

The leader of the strike threat in Nickerie, (Sander Bajou), says that the district has already lost more than 50 million Surinamese guilders. He furthermore pointed to the loss of jobs and the increasing shortage which result from the armed actions by the rebels. At the moment, the people of the Nickerie District are being mobilized, said (Bajou).

The organizers of the strike are threatening to stop the transportation of rice to Paramaribo if the government doesn't hold talks with the rebels.

The government has earlier announced its intention to hold talks with the rebels but these have been postponed at the request of the latter.

Union Leader's Life Threatened

FL1809221389 Paramaribo International Service in English 1730 GMT 18 Sep 89

[Text] The chairman of the C-47 Trade Union Federation, Fred Derby, has over the past weekend received a death threat. A man who claimed to be speaking on behalf of the leadership of the rebellious (Tucayana) Indians had told Derby last Saturday by telephone that he should move within 24 hours. If this didn't happen, Derby would have been shot and killed and his house blown up.

Derby said that he considered the threat as being very serious because of the current situation of increased violence in Suriname. The necessary measures were taken to guarantee the safety of the trade union leader.

Up to the time of this newscast, nothing has happened.

Refugees Distrust Registration Process

FL1809215889 Paramaribo International Service in English 1730 GMT 18 Sep 89

[Text] The Surinamese refugees in French Guiana don't have confidence in the registration which is being carried out by the Central Registrar's Bureau which begins today in the refugee camp.

One of the camp leaders, (Arnold Brum), said in an interview with the state television that the refugees are afraid that the information could be misused. According to (Brum), the refugees are of the opinion that the registration can only take place if the Kourou Accord is executed.

The registration is aimed at giving the refugees new official documents, such as identification cards and work certificates. In most cases, this document got lost while they were fleeing their villages because of the war situation in east Suriname. The registration has resulted from discussions with the Tripartite Commission consisting of Suriname, France, and the United Nations High Commissioner for Refugees. This commission is busy preparing for the repatriation of the Surinamese refugees.

Pokigron Villagers Protest 'Subhuman' Conditions

FL1809224789 Paramaribo International Service in English 1730 GMT 18 Sep 89

[Text] The people of Pokigron Village have last Friday held a demonstration to focus attention to the bad conditions under which they have to live in Paramaribo. During the demonstration, they presented a petition to Assembly Chairman Jaggernath Lachmon.

In the petition, the villagers pointed out, among others, the lack of potable water, electricity, and good sanitary facilities in their current living environment. They also asked for medical care, education for the children, and social allowances.

The people of Pokigron had to leave their village a few months ago after it was totally burned down by the Brunswijk Gang. In Paramaribo, there were, however, housing problems.

According to Captain (Gottleib) of the village, the people have sought help from various government institutions without any results. A few weeks ago, they occupied a sports complex, which was under construction, and are now living there. They, however, live under subhuman conditions in the sports complex.

Assembly Chairman Lachmon promised the villagers that he will discuss these problems with the government.

Traffickers Linked to Murder of Brazilians

FL1409172889 Hilversum International Service in English 1030 GMT 14 Sep 89

[Text] In Suriname 1 of the 16 military men who staged a coup in 1980 is now wanted for murder. He is (Roy Taloud), a professional soldier. He is believed to be wanted in connection with the death of four Brazilians whose maimed bodies were found 2 weeks ago. Police have made several other arrests in connection with the case. According to Surinamese police, the suspects are known drug traffickers.

National Assembly Mourns Henk Heidweiller Death

FL1809225789 Paramaribo International Service in English 1730 GMT 18 Sep 89

[Text] The National Assembly has last Friday [15 September] held a special mourning session in honor of former parliamentarian Henk Heidweiller, who passed away recently.

During the session, Assembly Chairman Jaggernath Lachmon, said that with the death of Mr Heidweiller, Suriname has lost a valuable person.

According to President Ramsewak Shankar, who also addressed the session, Heidweiller was someone who was prepared to use his past experience for the interests of Suriname.

Besides being a parliamentarian, Mr Heidweiller, among others, also was Suriname's permanent representative to the United Nations. He was decorated for his valuable contribution in the political field by Holland, Bolivia, and Venezuela.